Manitoba Agriculture,
Food and Rural Initiatives

Annual Report
2004-2005

Manitoba

Minister of Agriculture, Food
and Rural Initiatives

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard
Lieutenant-Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour,

I am pleased to present you with the Annual Report of Manitoba Agriculture, Food and Rural Initiatives for the year ending March 31, 2005.

This past year brought my department many successes in its continuing efforts to champion the interests of the agriculture industry and rural Manitobans. One of these accomplishments was the development of a new organizational structure, through our Growing Opportunities Initiative. It has placed us in an excellent position to assist producers and rural residents capture new opportunities for economic growth.

We also delivered assistance, support and business risk management programs to help the agriculture industry mitigate the effects of Bovine Spongiform Encephalopathy, poor growing conditions, low commodity prices and other challenges. Another highlight of the past year was our co-operative efforts with the pork industry that successfully protected producers from unwarranted trade actions. We have also assisted Manitoba farmers to create environmental farm plans that will help them implement sustainable farming practices.

We have also been successful in our continued efforts to promote Manitoba products and develop new markets. The co-hosting of the World Meat Congress in Winnipeg, for example, provided us with an excellent opportunity to showcase Manitoba's meat industry. Our strong financial and business support to Manitoba's Food Development Centre, the National Centre for Agri-food Research in Medicine and the slaughter industry will also result in new markets for Manitoba meat, and our support for the Richardson Centre for Nutraceuticals and Functional Foods will create new health uses and markets for primary commodities.

I am proud of my department's record for 2004/2005, and of the efforts of our staff in achieving it. We are moving into 2005/2006 as a healthy and dynamic organization, ready to build and expand upon this year's accomplishments.

Sincerely,

Rosann Wowchuk

Rosann Wowchuk
Minister

Manitoba

Deputy Minister of
Agriculture, Food and Rural Initiatives

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Winnipeg, Manitoba CANADA
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Honourable Rosann Wowchuk
Minister of Agriculture, Food and Rural Initiatives
Province of Manitoba
Room 165 Legislative Building
Winnipeg MB R3C 0V8

Madam,

I am pleased to present the annual report for the Manitoba Department of Agriculture, Food and Rural Initiatives for the year ending March 31, 2005.

During the year, the department continued to focus on assistance to mitigate the effects of Bovine Spongiform Encephalopathy and poor crop conditions, assistance to young and beginning farmers, actions to defend against unfair international trade practices, and leadership in protecting and sustaining the environment. Our policies and programs reflect our commitment to support producers, farm families and rural Manitobans.

In the past fiscal year, the department continued its focus on "Growing Opportunities," a new way of doing business and supporting our clients. After in-depth consultations with industry, clients, stakeholders, and our staff, we launched a new organizational structure that is better equipped to address the unique needs of rural Manitobans and help our clients keep pace with the rapidly-evolving agriculture industry.

Our goal is to create vibrant and sustainable communities through value-added opportunities at the farm gate and in rural communities. To that end, we created Knowledge Centres for Food Commercialization and Marketing, Economy and Rural Development, and Economic Development Initiatives that will help our clients explore new opportunities in food processing, alternative fuels, and rural-based manufacturing.

In order to maintain consumer confidence and increase markets for our agri-food products, we created a Food Safety Knowledge Centre and a new position of chief veterinary officer to head the centre. This will enable us to take a pro-active approach to animal health and food safety at home and in an extremely competitive international marketplace.

Our Growing Opportunities teams will consult with communities regarding specific regional needs, and will support business planning, leadership training, and business and co-operative development as a means of helping communities achieve their goals. At the same time, these teams will continue to provide the traditional agricultural extension services our clients have come to depend on.

Sincerely,

Barry Todd
Deputy Minister

106-00307/

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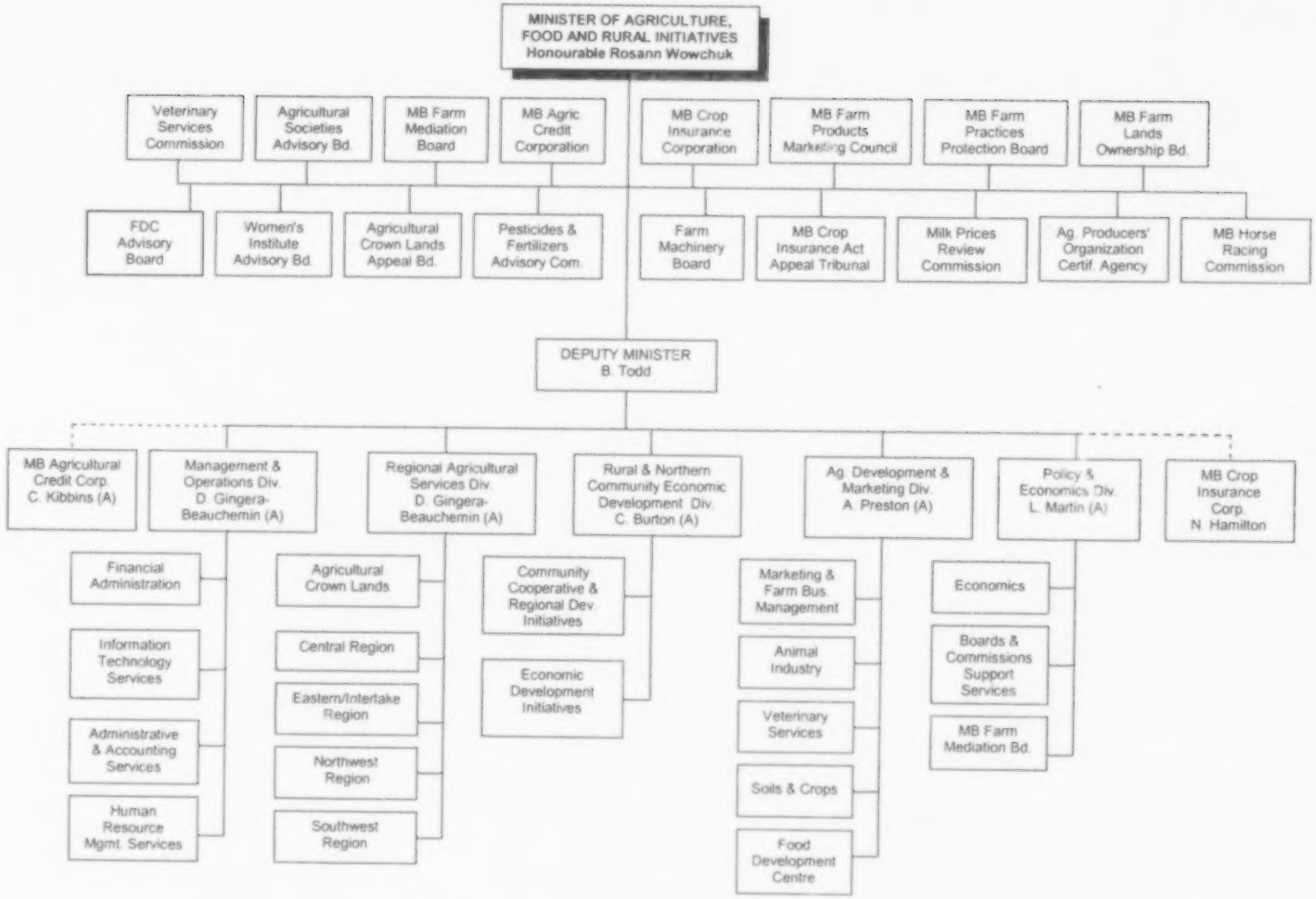
ORGANIZATION CHART OF MANITOBA
AGRICULTURE, FOOD AND RURAL INITIATIVES



MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

Executive

Honourable Rosann Wowchuk, Minister

B. Todd, Deputy Minister

A. Preston, A/Assistant Deputy Minister
Agricultural Development and Marketing Division

D. Gingera-Beauchemin, A/Assistant Deputy Minister
Management and Regional Agricultural Services Division

L. Martin, A/Assistant Deputy Minister
Policy and Economics Division

C. Burton, A/Assistant Deputy Minister
Rural and Northern Community Economic Development Services Division

M. Richter, A/Executive Financial Officer

C. Kibbins, A/Chief Executive Officer
Manitoba Agricultural Credit Corporation

N. Hamilton, General Manager
Manitoba Crop Insurance Corporation

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture, Food and Rural Initiatives to summarize the activities and accomplishments of the Department during the 2004/2005 fiscal year. Three major sections of this report include:

- **Section One** includes Part A – Program and financial Information, and Part B – Capital Investments Information
- **Section Two** contains summary tables comparing actual 2004/2005 expenditures and revenues with the budgeted estimates. The 2004/2005 figures are also compared to those for the 2003/2004 fiscal year.
- **Section Three** contains a five-year historical comparison of spending and staffing by appropriation numbers.

This report is presented according to the financial organization of the department, and is not necessarily organized according to programs and services.

Mission and Role

The Department's mission and role statements support the provincial government's commitment to improve the quality of life of all Manitobans. Manitoba Agriculture, Food and Rural Initiatives is committed to the overall provincial strategic priorities of northern development, community economic development, healthy children, sustainable development, clean water, aboriginal development, and civil service renewal.

The mission statement defines the common goal of the Department and its staff. The role statement defines how our organization will achieve its mission. The Department's mission and role statements are as follows.

Mission
We are dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other Agriculture, Food and Rural Initiatives partners, and rural communities.

Role
Within a sustainable agriculture framework we provide leadership and a range of information, programs and services in support of our mission.

Our Vision

The publication entitled *Destination 2010* includes the Department's vision. This vision provides an overview of a desired and achievable state of the province's agriculture and food industry – and ourselves as an organization – by the year 2010. The vision stated below declares what this Department is striving to achieve while working with our farming and industry partners.

- Our farm families, agriculture and food partners and rural communities will become more prosperous and economically stable.

- Manitoba's agriculture, food and rural sectors will focus on profitability and competitiveness through expanded diversification and adding value, and greater market orientation – all within a sustainable agriculture framework.

- Our rural communities will become more healthy and dynamic through expanded local economic and employment opportunities, based on a growing agriculture, food and rural initiatives sector.

- Our Department will be the leading-edge provider of unbiased technical and up-to-date information to our clients.

Philosophy and Values

The Department's philosophy and values are based on a fundamental caring commitment to people — our clients and our employees. This caring commitment as found in the following statements has stood the test of time. These statements define who we are and our attitude towards others.

The People We Serve — Our Foremost Priority

We work together as a team with our clients, to advance our province's agriculture and food industries, and rural communities.

The people we serve range from farm families, rural communities, rural business operators, food processors, consumers, and Cabinet, to other government departments and our fellow employees.

Our Best Job Performance

We, as employees, are committed to giving our best job performance every day with pride and professionalism.

We Are One Organization

We all share a commitment to our Department, a greater whole, that takes precedence over any of its parts.

Similarly, we all share a greater commitment to the Government of Manitoba and its priorities.

At all employee levels we strive to understand our roles within our Department's overall mission, goals, beliefs, and values.

We Are Public Trustees

We are entrusted with managing funds and other resources owned by the public we serve.

At all employee levels, we are committed to ensuring that we make the most effective and efficient use of the public resources entrusted to our care.

Within our organization's philosophy and values the primary statement we adhere to is our commitment to "The People We Serve – Our Foremost Priority". In effect, this client-focused commitment serves as the foundation that our other beliefs are built upon. Throughout the decades Manitoba Agriculture, Food and Rural Initiatives' strategic priorities have undergone considerable change. But our primary commitment has essentially remained the same – and no doubt will continue to remain so in the long-term future.

Motivation, Morale, and Recognition

Manitoba Agriculture, Food and Rural Initiatives has a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals, or teams of employees, are recognized and rewarded for their achievements. The Working Together for Success Committee, in charge of this program, annually invites department members to nominate fellow employees for special recognition and celebration. Recognition is awarded by peers -- and not from "the top down." Department staff members on the committee develop the award criteria, choose the number and types of awards, and vote on the winners.

The Department uses its Motivation, Morale and Recognition Strategy, as well as other measures, to motivate staff and boost morale, ultimately based on service improvement, for the benefit of the Department's clients.

Home Page

The Department's annual report can be found on Manitoba Agriculture, Food and Rural Initiatives' home page address at www.gov.mb.ca/agriculture. The 2004/2005 annual report on this web site includes a French language version for the Minister's introductory letter, the Deputy Minister's introductory letter, Preface, Sustainable Development Integration, and the narratives of each Branch/Region/Corporation.

Sustainable Development Integration

Under *The Sustainable Development Act*, each Department is required to integrate into its annual reporting process, information about progress in incorporating sustainable development into its activities.

A sustainable agricultural environment preserves and enhances national resources while providing maximum economic benefit within such a system of agriculture. Each Branch/Region of the Department has included a section on its sustainable development activities throughout the Annual Report, using the following principles of sustainable development set out by the Act:

- **Principle #1 - Integration of Environment and Economic Decisions**
- **Principle #2 - Stewardship**
- **Principle #3 - Shared Responsibility**
- **Principle #4 - Prevention**
- **Principle #5 - Conservation and Enhancement**
- **Principle #6 - Rehabilitation and Reclamation**
- **Principle #7 - Global Responsibility**

2004/2005 Highlights

- Departmental restructuring played a major role in MAFRI's 2004/2005 activities. Through its Growing Opportunities Initiative, the department will work with the agriculture industry, farm families, rural Manitobans and rural communities to assist them in seizing new opportunities for economic growth.
  - Added focus has been placed on value-added processing of primary commodities, rural-based manufacturing, nutraceutical and functional foods for health-conscious consumers, production and processing for niche markets, agri-forestry, agri-fuels, and community-based development activities.
  - Staff will work with clients through Growing Opportunities Teams, located in existing MAFRI offices, to provide leadership skills, business planning assistance, specialized information, and support programs designed to help rural and agro Manitoba embrace potential opportunities.
  - MAFRI remains committed to leading edge, market-focused extension services for producers and farm families, and will continue to provide these services via its Growing Opportunities Teams and Knowledge Centres.
- Bovine Spongiform Encephalopathy and the U.S. border closure continued to be a huge obstacle for the cattle industry, and MAFRI responded with a multi-faceted approach:
  - extensive financial support for producers through loans and assistance programs;
  - funding for the slaughter industry to increase slaughter capacity at local abattoirs;
  - significant funding and support for Ranchers Choice Beef Co-operative to assist with its efforts to build a federally inspected slaughter facility;
  - one-on-one assistance to producers, including production advice, stress counselling, and business consultations.
- MAFRI joined forces with Manitoba's pork industry to successfully contest unwarranted trade actions that would have seriously injured the industry.
- In order to ensure continued consumer confidence in the safety of the foods that Manitoba produces, a position of Chief Veterinary Officer was created. The successful candidate will lead the department in taking a proactive approach to animal health, food safety, bio-security and emergency preparedness in the event of an animal disease outbreak.
- Continued support for the Food Development Centre was demonstrated with a new, state-of-the-art pilot plant featuring wide-ranging processing capabilities, including the ability to process meats according to federally prescribed standards.
- Through producer consultation and subsequent discussions with the federal government, MAFRI continued to make Manitoba's voice heard in ongoing World Trade Organization negotiations on agriculture.
- In response to another year of low farming incomes, MAFRI fine tuned its key business risk management programs. The department was instrumental in obtaining changes to the national Canadian Agricultural Income Stabilization (CAIS) program that make it more responsive to producers' needs. In addition, the department added a variety of coverage options to its production insurance program in order to keep pace with evolving cropping practices.
- In response to a disastrous growing season that included wet, cool weather and a killing mid-August frost, strong and significant support was provided to producers through production insurance.
- Environmental sustainability is high on MAFRI's agenda, and a new branch was created to work with the agriculture industry in researching, developing, and implementing sustainable agricultural practices.
- Programming to assist young or beginning farmers was also a departmental priority; MAFRI's hosting of the national Outstanding Young Farmer Awards was reflective of the departmental commitment to this initiative.

SECTION ONE

PART A

PROGRAM AND FINANCIAL

INFORMATION

Appropriation 1
Administration and Finance

The Administration and Finance Division assists the department in planning operational policies and programs. It ensures that the department's activities are implemented efficiently and effectively. It also provides central support service to management and staff.

During 2004/2005, the organization components within this division were Financial and Administrative Services, Information Technology Services, and Human Resource Management Services.

Appropriation 1 (a) - Minister's Salary

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Salaries and Employee Benefits	25.6	1.00	29.4	(3.8)	
TOTAL EXPENDITURES	25.6	1.00	29.4	(3.8)	

Appropriation 1 (b) - Executive Support

Executive Support is responsible for providing leadership, direction, and communication in the effective implementation of department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery remained a major priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	430.3	8.00	482.5	(52.2)	
(2) Other Expenditures					
-Grants/Transfer Payments	14.8		12.9	1.9	
-Other	57.5		49.7	7.8	
Total Other Expenditures	72.3		62.6	9.7	
(3) Policy Studies	63.7		71.2	(7.5)	
TOTAL EXPENDITURES	566.3	8.00	616.3	(50.0)	

Appropriation 1 (c) - Financial and Administrative Services

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture, Food and Rural Initiatives (MAFRI) programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The branch is involved in directing, developing, and administering financial support systems, financial planning, control, management, and reporting systems in the department. With the implementation of SAP, and the subsequent decentralization of financial authority and operational responsibility, the branch has developed a comptrollership framework resulting in controlled processes being implemented for the department. This framework will further ensure the efficient utilization and administration of the province's fiscal and human resources within MAFRI.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service Manitoba and Treasury Board initiatives, such as Manitoba Measures and Sustainable Development Procurement.

Administrative branch staff process revenue and central based expenditures in accordance with legislative, departmental, and Treasury Board requirements. As well, staff manage and provide coordination for the procurement card process, departmental assets, departmental fleet vehicles, parking program, physical accommodations including equipment, requests under The Freedom of Information and the Protection of Privacy Act (FIPPA), which involved processing 36 applications, records management program, summer and part-time student program, administration of contracts and processes including the Agricultural Sustainability Initiative (Covering New Ground) which involved 49 agreements and the Irrigation Development Program involving six agreements, and workplace safety and health activity for the department. Staff coordinate and edit the Department's Annual Report, the Legislative Estimates Debate, and Supplementary Information for Legislative Review. Staff also coordinate the Programs and Services on the MAFRI website.

Staff continued to support the French Language Services Plan by coordinating and monitoring departmental publications for translation, including publications for the Manitoba Crop Insurance Corporation (MCIC) and the Manitoba Agricultural Credit Corporation (MACC), to ensure that agricultural services are offered to producers in various French language designated areas throughout Manitoba.

Accounting Services processed expenditure and transfer payments involving MCIC, Net Income Stabilization Account, Accommodation and Cost Recovery, Manitoba Telecom System, Mail Management Agency, Desktop, procurement cards, and other special payment requests such as Canadian Farm Income Program (CFIP), Canadian Agriculture Income Stabilization (CAIS), and Agricultural Income Disaster Assistance. Approximately 3,000 transactions in operating and capital expenditures were processed by Accounting Services, along with branch/division audits and year-end accrual entries. All payments were processed electronically.

The department signed the Canada/Manitoba Agricultural Policy Framework (APF) in 2004/2005 and the Branch is responsible for reporting and tracking the provincial contribution.

The Financial Administration unit provides management, financial, program, and related systems research and analysis for the department, cabinet, and Treasury Board on a timely basis. Staff compile annual estimates, monthly cash flows, capital supply estimates, management reports, fund transfers, and financial information for various information requirements for the Annual Report, Treasury Board reviews, and the Legislative Estimates Debate within established time frames. Staff also provide cash management support for the coordination of cost centre and internal order development.

Sustainable Development

In 2004/2005, the Administrative and Accounting Branch staff participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development:

Stewardship (Principle #2)

- In consultation with the department, the Departmental Green Team submitted a departmental Sustainable Development Procurement Action Plan Report for 2003/2004. The action plan provided a means for measuring progress toward the strategic direction of Manitoba's Sustainable Development Procurement Goals. The goals were developed to provide specific actions to meet the intent of the Principles and Guidelines.

Shared Responsibility and Understanding (Principle #3)

- Staff coordinated MAFRI's Sustainable Development Procurement Committee, also known as the Departmental Green Procurement Team, which consists of representatives from each Branch/Region in the department, as well as MACC, MCIC, and FDC.

- The committee participated in the education and awareness of departmental staff and also monitored sustainable development procurement in the department.

Conservation and Enhancement (Principle #5)

- In 2004/2005 the department continued to emphasize the purchase of green products, the purchase of ethanol-blended fuel, the use of audio conferencing, and the use of aboriginal vendors.

Global Responsibility (Principle #7)

- Staff participated in various central government Sustainable Development Act implementation working groups, including financial management guidelines, code of practice, and regulations.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	807.0	14.39	771.7	35.3	
(2) Other Expenditures	310.5		384.6	(74.1)	
TOTAL EXPENDITURES	1,117.5	14.39	1,156.3	(38.8)	

Appropriation 1 (d) - Information Technology Services

The objective of the Information Technology Services Branch is to coordinate, plan, implement, and manage the required information technology resources which enable the department to meet its business goals, objectives, and opportunities. Along with providing computer management services and expertise for all user levels within the department, the branch provides advice to senior management on all information technology related matters. This assistance ensures that information technology resources are applied in a strategic, consistent, and economic manner that address overall departmental objectives.

Information Technology Services provides the department with services such as:

- system analysis
- design and development
- ongoing system maintenance
- system integration
- technology research and development
- technology planning
- specialized hardware/software purchasing

As the technology in the department's systems increases, there is a greater demand to strategically manage and direct these resources. Information Technology Services plays a vital role in coordinating the acquisition of technology with the establishment of information systems, to aid in the delivery of departmental programs.

During 2004/2005 staff developed a number of new systems for the department. Some examples include the Agriculture Policy Framework (APF) in-kind contribution tracking system which assists in balancing the provincial contributions for APF; the Manure Application Rate Calculator (MARC) 2005 Program was released publicly: which is used to complete manure regulation forms. Also of note was the initiation of the Crown Lands System re-write and the addition of the 2004 farm land school tax rebate to the crown lands system. The branch also started migrating existing systems into Microsoft's Visual Studio version 7, the latest release of this development software. The application server domain was also upgraded to the latest windows operating systems.

Geographic Information Systems (GIS) and Internet systems continued to be well used. Applications such as Agri-maps, The Hay List, and the Calendar of Events provided assistance to all staff and were delivered using web technologies.

Staff continued to provide support to the department staff with the management of their Desktop Environment and facilitated the daily workings of the Desktop Management Environment Contract. Staff also continued to support the Food Development Centre (FDC) and its services received under the Desktop Management Environment. In 2004/2005 this included the complete refresh of all desktop and laptop computers in the department. Staff continued to support all existing systems in the department as well as the supporting infrastructure.

1 (d) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	448.7	6.00	467.7	(19.0)	
(2) Other Expenditures	70.9		71.1	(0.2)	
TOTAL EXPENDITURES	519.6	6.00	538.8	(19.2)	

Appropriation 1 (e) - Human Resource Management Services

Human Resource Management Services is responsible for the development, implementation, administration, and monitoring of departmental human resource programs and systems for Manitoba Agriculture, Food and Rural Initiatives (MAFRI). Elements of these programs include:

- recruitment and selection
- wage and salary administration
- staff training and development
- performance review/evaluation
- employee relations
- personnel records
- benefits and payrolls.

In addition, the branch provides human resource advice and assistance to the management of the Manitoba Agricultural Credit Corporation (MACC), and the Food Development Centre (FDC).

During 2004/2005, the branch assisted in filling 30 positions. The branch also assisted with the recruitment of 58 summer students, which included part-time winter students and co-op students for temporary employment.

Human Resources assisted in implementing the Voluntary Reduced Work Week Program (VRW) in which 89 staff participated with a total of 735 VRW days taken during 2004/2005.

The branch also assisted with human resource issues associated with the implementation of Growing Opportunities.

The branch continued to administer the Department's pay/benefits system and classification system, and maintained payroll records for staff. Leadership for comprehensive human resource services were provided, and coordinated for MAFRI and FDC.

Human Resource Management Services continued to support the French Language Services Plan to ensure that French language staffing initiatives met strategic needs.

Employment Equity continued to be a selection criterion in the recruitment process. As of March 2005, the department's representation in the Employment Equity target groups was – 57.5% Female, 1.2% Aboriginal, 3.6% Persons with Disability, and 2.9% Visible Minority.

Specialized training (versus general training) continued to be the focus, concentrating on areas such as:

- Professional/Technical Update
- Management Update
- Orientation Program
- Legendary Service
- Workplace Health & Safety
- Information Technology
- Anger Management (BSE clients)
- Treasury Board, and Cabinet Submission Writing
- Systems Applications Product (SAP) training

Branch staff assisted in the resolution of various labour relations issues in consultation with department management, supervisors, and employees, as well as Labour Relations and the Manitoba Government Employees Union.

The Human Resource Branch is part of an amalgamated human resource unit for the departments of Manitoba Agriculture, Food and Rural Initiatives, Manitoba Conservation, Manitoba Water Stewardship, and Manitoba Intergovernmental Affairs and Trade. Each department maintains on-site Human Resource Management Services. However, the Pay and Benefits section for all three departments share the same area.

1 (e) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	303.8	5.00	321.7	(17.9)	
(2) Other Expenditures	45.8		46.7	(0.9)	
TOTAL EXPENDITURES	349.6	5.00	368.4	(18.8)	

Appropriation 2
Risk Management and Income Support Programs

The primary objectives of Risk Management and Income Support Programs are to administer the Production Insurance Program, and other risk reduction initiatives, aimed at minimizing the impact that natural perils have on production and to provide Manitoba's financial contribution to the Canadian Agricultural Income Stabilization (CAIS) program which is designed to address fluctuations in producers' incomes.

Appropriation 2 (a) - Manitoba Crop Insurance Corporation

The objective of the Manitoba Crop Insurance Corporation (MCIC) is to provide Manitoba's agricultural producers with effective risk management programs, primarily through insurance protection for crop losses due to natural perils.

MCIC is responsible for the development and delivery of Production Insurance as provided for in *The Crop Insurance Act*. During 2004/2005, about 13,500 producers (over 10,000 separate production units) were insured. Insurance was provided on 51 crops, covering over 8.7 million acres. In addition, 600,000 acres of farmland qualified for compensation under the Excess Moisture Insurance feature of the Production Insurance Program. In total, over 85% of Manitoba's cultivated land is covered by Production Insurance.

MCIC administers the Wildlife Damage Compensation Program, whereby producers are compensated for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by natural predators.

MCIC offers separate hail insurance to producers who are enrolled in Production Insurance. Producer premiums cover all of the related costs, including administration. In 2004/05, 3,700 producers were insured with a total liability of $310 million.

Four separate BSE related ad hoc program were administered by MCIC on behalf of the Government of Manitoba and the Government of Canada in 2004/05. Related payments totaled $33.6 million.

More information on MCIC's 2004/2005 activities and financial results can be found in the MCIC Annual Report.

Sustainable Development

MCIC fully supports and participates in Manitoba Agriculture, Food and Rural Initiatives' Sustainable Development initiative under *The Sustainable Development Act*. MCIC's accomplishments and activities are included in the Manitoba Agriculture, Food and Rural Initiatives' Sustainable Development Procurement Plan and Procurement Report that are submitted by the Department to Procurement Council each fiscal year.

2 (a) Manitoba Crop Insurance Corporation

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments:					
(1) Administration	4,405.9	98.00	4,122.9	283.0	
(2) Premiums	21,673.0		23,276.0	(1,603.0)	1
(3) Wildlife Damage Compensation	914.5		749.8	164.7	2
TOTAL EXPENDITURES	26,993.4	98.00	28,148.7	(1,155.3)	

1. *The variance under authority is mainly due to lower than expected seeded acres caused by the wet cool spring of 2004.*

2. *The variance over authority is mainly due to higher claim activity in the waterfowl component of the program caused by the late harvest in the fall of 2004.*

Appropriation 2 (b) - Canadian Agricultural Income Stabilization (CAIS) Program

CAIS is a national safety net program that assists farmers stabilize their incomes based on their own past results. It provides cash assistance when the farm's current year margin (a proxy of income) drops below the farm's reference period margin. Producers and governments share in covering the drop, with the government share increasing as the drop deepens.

CAIS is one of the two core programs under the Business Risk Management component of the Agricultural Policy Framework; the other is Production Insurance. The government portion of CAIS is funded by the federal and provincial governments on a 60/40 basis. The program was implemented in the 2003 tax year, and is governed by the Canada-Manitoba Implementation Agreement which has a five year renewable term.

The federal government in Winnipeg administers CAIS for Manitoba. In 2004/2005 producers provided financial information for the 2003 tax year, and signed up for coverage for the 2004 tax year. Payments were made to producers who incurred a drop in margin in 2003, and interim payments for 2004 were made available. Ruminant animal producers, affected by poor markets due to BSE, were also offered a special advance on their 2004 CAIS payment based on the number of breeding females in their herd.

For 2003, 15,043 Manitoba producers selected coverage under the CAIS program. As of March 31st, 2005, 12,362 completed applications were received, and 12,267 of them (99%) had been processed with 5,578 receiving a payment. The total payments made to that point were just over $106 million, of which Manitoba's share is $42.5 million. In addition, Manitoba's share of administration costs amounted to approximately $1 million.

For 2004, 16,759 Manitoba producers selected coverage under the CAIS program. As of March 31st, 2005, 3,894 ruminant animal producers had received approximately $27 million in special advance payments and 769 producers had received approximately $22 million in interim payments. Final payments will begin flowing to producers in 2005/06.

Formal appeals by producers for the 2003 CAIS program will be dealt with starting in 2005/2006.

The 2004/2005 CAIS appropriation is for the 2004 program year. As the information required to calculate the payments is not available until the following year, program payments are estimated at year end.

2 (b) Canadian Agricultural Income Stabilization Program

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	52,595.4		50,301.0	2,294.4	1
TOTAL EXPENDITURES	52,595.4		50,301.0	2,294.4	

1. *The variance over authority is mainly due to lower than expected cattle prices as a result of the continuation of the border closure due to the BSE crises.*

Appropriation 2 (c) - Livestock Industry Development Assistance

The Livestock Industry Development Assistance (LIDA) fund was used to support strategic activities, which fostered the sustainable expansion of the beef sector within the livestock industry. In particular, the LIDA fund supported the strengthening and stabilization of beef sectoral incomes by facilitating the development of new markets and clients for livestock and meat products. This was made possible through the Manitoba Meat Buyer's Guide and the establishment of the Rancher's Choice beef processing facility in Dauphin.

2 (c) Livestock Industry Development Assistance

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	4,613.3		2,500.0	2,113.3	1
TOTAL EXPENDITURES	4,613.3		2,500.0	2,113.3	

1. *The variance over authority is due to $4,500.0 assistance for Rancher's Choice Beef Processing Co-op project and a further $113.3 of other Livestock Industry Development Assistance expenditures. The department required $1,574.0 in supplementary funding approval to cover the overage.*

Appropriation 3
Manitoba Agricultural Credit Corporation

The Manitoba Agricultural Credit Corporation (MACC) operates under *The Agricultural Credit Corporation Act*. MACC's purpose is to participate in meeting the financial requirements of the agricultural community, thereby contributing to a vibrant Manitoba economy that is globally competitive. The corporation meets these financial requirements by providing direct loans, operating loan guarantees, feeder association loan guarantees, and diversification loan guarantees to Manitoba farmers. As requested, MACC delivers emergency and special assistance programming to Manitobans. Special emphasis is placed on the young, beginning, and/or expanding farm operations. Equally important is MACC's role in farm diversification and value-added production, which are vital to the stability and future of many rural communities.

MACC's Young Farmer Rebate offers eligible young farmers (39 years of age and under) a two per cent rebate on the first $100,000 of the MACC loan principal, for each of the first five years of the loan, to a lifetime maximum of $10,000. In 2004/2005, MACC clients earned rebates totalling $1.5 million.

During the 2004/2005 fiscal year, MACC's program activity included the following:

Direct Lending	**$32.8 million**
Comprehensive Refinancing Loans	**$ 1.4 million**
Bridging Generations Initiative Loans	**$11.9 million**
BSE Recovery Loans	**$10.4 million**
Diversification Loan Guarantees	**$14.6 million**
Manitoba Cattle Feeder Associations Loan Guarantees	**$19.2 million**
Operating Credit Guarantees	**$22.9 million**

MACC remained committed to providing responsive programming as Manitoba farmers faced many challenges, including the BSE crisis. As an indication of MACC's responsiveness, the BSE Recovery Loan Program was extended to assist in the cash flow challenges for Manitoba's ruminant producers.

MACC's specific 2004/2005 lending activities and financial data are detailed in MACC's Annual Report.

Sustainable Development

MACC fully supports and participates in Manitoba Agriculture, Food and Rural Initiatives' Sustainable Development Initiative under the *Sustainable Development Act*. MACC's accomplishments and activities are included in the Manitoba Agriculture, Food and Rural Initiatives' Sustainable Development Procurement Plan and Procurement Report that are submitted by the department to Procurement Council each fiscal year.

3 Manitoba Agricultural Credit Corporation

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments:					
-Administration	4,508.5	59.00	4,610.4	(101.9)	
-Net Interest Cost & Other Provisions	783.1		510.0	273.1	1
-Provision for Impaired Loans	462.3		500.0	(37.7)	
-Special Farm Assistance	92.6		100.0	(7.4)	
-Emergency Loan Assistance	109.8		135.9	(26.1)	
-Project 2000 - Bridging Generations Initiative	164.9		280.0	(115.1)	2
TOTAL EXPENDITURES	6,121.2	59.00	6,136.3	(15.1)	

1. *The variance over authority is due to: a) an increase of $191.2 in the cost of net interest due to the reduced interest rate of the BSE Loan Recovery Program and the reduction in the regular lending portfolio as well as less than anticipated property and lease income; b) a greater than anticipated decrease of ($167.7) in Young Farmer Rebate resulting from the rebate expiring on existing loans and the impact of the advancing age of the average farmer on program participation; c) an increase of $140.3 in Provision for Loan Guarantees resulting from increased provision for risk assessments on individual guarantees and d) an increase of $109.3 in the Provision for Flood and Producer Recovery Loans due to a greater than anticipated number of loan write-offs.*

2. *The variance under authority is the result of staff turnover and vacancy management as well as less than anticipated Management Training Credit expense.*

Appropriation 4
Agricultural Development and Marketing

The Agricultural Development and Marketing Division provided specialist services to field staff, producers and food processors. The branches within the division were Marketing and Farm Business Management, Animal Industry, Veterinary Services, Soils and Crops, and the Food Development Centre.

Appropriation 4 (a) - Marketing and Farm Business Management

The objective of the Marketing and Farm Business Management Branch was to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the branch provided reliable and unbiased marketing and farm business management services and information, facilitated industry promotion through collaboration and alliances, and partnered in building a more diversified rural Manitoba through leadership development of youth, families and communities. The branch was committed to excellence in information dissemination, consultation, and training. Timely delivery of programs and services was supported with media promotion, reference materials, publications, and other resources.

With the implementation of the department's new Growing Opportunities structure, the branch was restructured at the end of this fiscal year. Branch achievements during 2004/2005 include:

Agricultural Societies

Agricultural Societies are the longest standing organization in many rural communities. Their objectives include leadership development, improvement in agriculture, horticulture, and home living as well as the overall promotion of the progress of agriculture.

Agricultural Societies provide a focal point to educate urban and rural constituents about agriculture. Many Agricultural Societies promote agriculture awareness through activities such as Brandon's Provincial Exhibition's "Through the Farm Gate" program, Red River Exhibition's "Farm Family of the Year" program, and partnering with Agriculture in the Classroom-Manitoba on their "Amazing Agriculture Adventure" school tours, as well as displays and activities at fairs and trade shows.

Agricultural Societies partner with organizations including 4-H, the Manitoba Women's Institute, and Manitoba Agriculture, Food and Rural Initiatives (MAFRI) on seminars, tours, and educational displays.

There are 62 agricultural societies in Manitoba comprised of about 11,000 members. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million of revenue in rural Manitoba.

The department provided grant assistance of $368,400 to agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Grant assistance is also provided to the Manitoba Agricultural Hall of Fame and the Manitoba Light Horse Association.

The department is responsible for the administration of *The Agricultural Societies Act*, which includes the activities of a superintendent. The superintendent works in the program areas of leadership and community development with the Manitoba Association of Agricultural Societies Board and is also responsible for the Century Farm Program.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years.

In 2004/2005, 51 farm families received Century Farm recognition for their contribution to Manitoba's agriculture and agri-food industry. Over 1,350 Manitoba farm families have been recognized through the Century Farm Program. MAFRI works with the Manitoba Historical Society in determining the eligibility of the nominees.

Home Economics

The focus of the Home Economics Section is to build decision-making skills and knowledge that achieved prosperity for farm families, agri-businesses, rural organizations, and communities. These programs and services were developed recognizing that people-based decisions are key to the sustainability of family farms, value-added businesses, and rural communities.

With the agricultural and rural environment experiencing ongoing crisis related to BSE, family stress and financial constraints, many farm and rural individuals are faced with challenging situations. The section supported the delivery of the Manitoba Farm and Rural Stress Line which was established in December 2000 and funded by Manitoba Health. Stress Line staff responded to increasing client requests through a new e-mail service as well as the toll-free telephone service. An advisory board provides policy and program direction. Section support to the Stress Line included co-facilitation of two workshops for departmental staff to assist in dealing with clients experiencing stress as well as a client presentation at Ag Days 2005.

As Manitoba farmers aged 55 and over comprise 31 per cent of the farming population, it is anticipated that 70 per cent of farms will transfer ownership within 15 years. The section worked with partners on farm transfer programs that are focussed on young and beginning farmers assuming management of the farm business. These programs include:

1) Succeeding Generations

- Chaired the Management Training Credit (MTC) committee, reviewed appropriate university, college, and departmental courses and added 10 new courses to the MTC course calendar. Once completed, these courses qualify farm clients for the interest rate reduction on their Manitoba Agricultural Credit Corporation (MACC) Young and Beginning Farmer loan.
- Contributed to the Beginning and Young Farmer Newsletter entitled the "*Farm Family Coach*".

2) Family Farm Business Advisor Resources

- The target audience includes professionals (lawyers, accountants, insurance agents, farm management consultants/specialists, and home economists) who work with farm families.
- Presentation related to Managing the Human Resource in Agriculture reached 89 professionals who attended seminars. Sixty-five professionals purchased a new or updated manual, compact disc, or Internet format.
- Negotiated a partnership with Canadian Association of Farm Advisors to ensure continuance of the resource and programming into the future.
- Farm Family Financial Decision-Making resources were shared and negotiated with stakeholders to ensure continuance of resources.

3) **Canadian Agricultural Skills Service (Agriculture Policy Framework (APF)- Renewal Pillar)**

- Worked with Manitoba Education and Training and Agriculture and Agri-food Canada (AAFC), assisting in the development of a new on-farm and off-farm skills training and education program for lower income and beginning farmers.

Support to entrepreneurial and value-added business development is a priority in helping farm families diversify their income. Section activities and resource development in support of value-added/diversification included:

- Delivery of resources and training events (reaching 46 producers) to educate meat producers about the food safety regulations and marketing challenges related to direct meat sales.

- Development of a new resource to assist entrepreneurs in developing marketing strategies and tools. The "Magic of Marketing – a practical tool kit" was used to deliver four training events reaching 275 clients in partnership with Canada Business Service Centre, Manitoba Farm Women's Conference, Manitoba Association of Agricultural Societies, and Direct Farm Marketing Conference.

- "*Kitchen to Market Pack*" (The Blue Box) – An extensive hands-on resource used to assist value-added business clients in building or expanding their business. Includes 113 different sources of information and is available via the internet as well

- Educational Activity – 41 in-depth consultations were provided to clients via in-person or web-based format; 20 in-depth consultations were provided to assist staff with local value-added clients.

- Contributed to the Wellness West project in the development of the "Commercialization Roadmap", a resource focussing on nutraceutical and functional food product development.

The Section delivered food safety and quality messages to consumers and food processors:

- New display, brochure and magnets entitled 'Food, Farm and Families' were developed and distributed to demonstrate the food safety process from farm to consumer.

- The *Guidelines for Healthy Meals and Beverages at Meetings and Conferences*, a joint publication with Manitoba Health and Faculty of Human Ecology was developed.

- "The Food Safety Connection" initiative included 15 safe food handling training events to rural catering and food serving groups.

- Sixty-two food safety consumer calls, referred by the Province of Manitoba's "At Your Service" information line, were handled and eight major media interviews were delivered.

- Food Safety Feature webpage – features 17 fact sheets and 30 links that provided consumer education, on-farm food safety, and safe processing of food products information.

- Four food safety presentations and the revised judging standards trained 97 rural fair judges in four clinics. Six food safety, health & functional foods presentations reached clients through Bed and Breakfast Association Annual Meeting, Russell community groups, Neepawa United Church, Manitoba Agricultural Credit Corporation Annual Meeting, St. Jean Farm Days and Ag Days.

- Member of the Canadian Partnership in Food Safety Consumer Education – 2004/2005 campaign resulted in distribution of food safety education for adult consumers.

- "Living with Livestock Production" series was updated with 14 brochures developed in conjunction with stakeholders on the topics of concern by consumers regarding livestock operations. These brochures, available in French and English, are also on the Internet.

- Risk communication skills training delivered through two study groups and five training sessions delivered to 150 clients at Manitoba Planning Conference, Manitoba 4-H Leaders Conference and Treherne Dam Project.

Leadership skills assist in the development and support of community leaders and rural organizations and businesses. Activities and resources supporting leadership skill development include:

- Department representation on the Manitoba Women's Institute (MWI) Provincial Board. The Board's focus is on leadership development and members helped bring messages related to BSE to rural families through programs and seminars. The Manitoba Women's Institute was granted $35,300 for operations and is currently undergoing long term strategic planning and membership renewal efforts. 645 MWI volunteers report 40,633 volunteer hours served in their communities.

- Support provided to the 18th Manitoba Farm Women's Conference, hosted in Brandon and attracting 140 participants.

- A new facilitator's resource was developed entitled "Building Strong Rural Communities – Tips and Tools for Group Facilitation" for use by staff in developing leadership skills for community leaders.

- Delivery of staff training related to group and community facilitation skills.

4-H and Youth

The 4-H Program provides leadership and skill development opportunities for rural youth (age 8-19), families, and rural communities. The program builds community leaders, trains youth in public speaking, meeting management and provides a wide range of skill building project work. To deliver the 4-H program in Manitoba, staff work in partnership with Manitoba 4-H Council and local Councils as well as other rural serving organizations such Agriculture in the Classroom – Manitoba (AITC-M) and Manitoba Education, Citizenship and Youth with a mandate to provide agriculture awareness and farm safety information.

4,211 4-H members were mentored by 1,772 adult 4-H volunteers within 216 4-H clubs. Membership was 55 per cent farm based, 32 per cent rural non-farm based, and 18 per cent urban.

4-H staff provided programs, resources and support at provincial, regional, district and club levels. 4-H staff developed 18 skill project series encompassing 68 4-H projects, 99 videos, handouts, books and kits and 42 4-H organizational and promotional resources. 4-H staff coordinated the 4-H Discovery Zone Box which included leader teaching materials for Meeting Management, Communications, Quality Equation, Recreation and Achievement, Agricultural Awareness, Flex Your 4-H, and Safety.

Manitoba 4-H Council provides 4-H policy and program direction in Manitoba. This Council consists of 12 junior and senior volunteer directors representing six 4-H regions, MAFRI staff, one representative to the Canadian 4-H Council and one Manitoba 4-H Ambassador.

4-H staff provide organizational support, leadership skill development training, and service to Manitoba 4-H Council participants and programs including:

- strategic planning and goal setting
- provincial, national, and international 4-H leadership activities for 307 members and 268 leaders
- Provincial Livestock educational and competitive programs in dairy, beef and equine

- The York-Benimaru Foundation/M4HC/MAFRI Japan – Manitoba Home Stay Program welcomed 15 Japanese students to Manitoba hosted by 4-H host families. Fifteen 4-H members travelled to Japan in a program that fosters international relationships and understanding of agri-food opportunities.
- Provincial Communications competition involved 100 members
- National 4-H Careers Conference, the only Canadian 4-H Council program delivered outside of Ontario, hosted 30 Manitoba 4-H members and 15 members from other provinces
- 14 scholarships for 4-H members were awarded through M4HC
- Highway Clean-Up program sponsored by Transportation and Government Services in which 82 4-H clubs participated by cleaning 1,051 kms of highway and raising $23,000.00 for 4-H activities
- Five issues of the Banner (provincial 4-H magazine) reaches 3,500 4-H families

In co-operation with Manitoba 4-H Council and stakeholders, initiatives in Manitoba's 4-H program include:

- Quality Equation (QE) principles continue to guide the 4-H Program in Manitoba.
  Quality People + Quality Projects + Quality Experience = The Quality Equation.

- 4-H Quality Builder Teams. Teams of 4-H leaders work with 4-H staff to determine local needs and create plans for training and mentor support to 4-H clubs.

- 4-H Club Pack. QE Pack – over 65 examples of QE appropriate activities distributed to each 4-H Leader in the province.

- In partnership with Canadian 4-H Council and Agriculture and Agri-Food Canada, M4HC initiated the Aboriginal 4-H Partnership Project to create sustainable partnerships between 4-H and Aboriginal organizations serving youth.

- A newspaper insert was delivered to 197,000 farm families in Manitoba promoting the benefits of 4-H involvement and opportunities available to rural communities.

- The unveiling of a new 4-H promotional slogan "Enjoy the Thrills – Develop the Skills".

222 leaders were presented certificates (signed by the Minister) in recognition of years of service. The Minister officially recognized the 4-H program through the proclamation of Manitoba 4-H Week.

Farm and rural safety and health continues to be a focus of 4-H. Safety has been incorporated as one of the 15 key principles of the Quality Equation. 4-H purchased interactive Safe Animal Handling Safety CDs for all livestock clubs. The 4-H supply catalogue features 16 safety resources and highlights partnering organizations such as Farm Safety 4 Just Kids and Red Cross. The Discovery Zone Box, used by 4-H leaders and staff, includes eight safety activities that can be used by 4-H clubs.

Student and teacher awareness of agriculture is a priority for the 4-H and Youth Section with staff working closely with Education, Citizenship and Youth to provide curriculum specific agricultural information and resources. A staff member is a board member of Agriculture in the Classroom – Manitoba (AITC-M). MAFRI, in partnership with AITC-M and commodity groups, provided information on agricultural awareness to an estimated 5,000 people at six major Manitoba events.

In co-operation with staff and industry, the concept of "Where's Agriculture?" as an agriculture awareness initiative, continued to be used in community events, classroom presentations, and school tour activities. In Manitoba, 2500 brochures were distributed. The "Where's Agriculture?" graphics continued to be used by British Columbia, Nova Scotia, and Saskatchewan agriculture awareness programs, with expansion into Alberta and Australia programs.

Farm Management

Farm Management focused on building and strengthening producer management practices directed at maximizing business net income through effective production, marketing, human resources and financial management activity. The Farm Management Section provided resource material on financial management, risk management, estate planning, and available agricultural assistance programs.

Staff maintained 36 Cost of Production Budgets that are revised annually or periodically. In excess of 28,000 copies of these budgets were distributed to farmers, financial institutions, private sector, universities, and government staff. An Information Update series is provided on tax and legal issues, insurance, and family farm succession.

Farm management staff were involved in the development and delivery of the Renewal and Risk Management pillars of the Agriculture Policy Framework (APF) for Manitoba.

The details of the Canadian Agricultural Income Stabilization (CAIS) program were made known to producers and staff through 35 seminars. Staff participated in the Manitoba Safety Nets Committee to help determine the impact of APF activity on Manitoba.

Under the Renewal pillar, negotiations were carried out with Agriculture and Agri-Food Canada (AAFC) on the details of program delivery for programs such as Canada Agricultural Skills Service and Managing Risk Education programs. The Canada Farm Business Advisory Service officially started for Manitoba in May 2004.

Farm management continued to be actively involved in the Bridging Generations Initiative (BGI) in the delivery and development of courses for producers with other educational institutions. 290 producers are in this program with the option of undertaking the Management Training Credit program option.

Farm Management provided the lead role in the Young and Beginning Farmers Committee. Assistance is offered to young and beginning farmers through existing resources as well as the improvement and development of programs specifically targeted to this client group. In addition to ongoing consultation and working with the Keystone Agricultural Producers Young Farmer Committee, the Committee also worked with the Agriculture Renewal Alliance in holding a Young and Beginning Farmers Conference. Held in Brandon, the event attracted 55 young producers.

The Outstanding Young Farmer Conference was hosted in Winnipeg. Farm Management provided financial and resource support to the Conference Committee.

A new initiative was organized this year with Farm Succession Week. The communities of Roblin, St. Pierrre, Carman and Brandon hosted speakers that spoke about farm family dynamics, tax issues, estate planning and farm viability attracting a total of 265 people.

Farm Management staff represented MAFRI on the Canadian Farm Business Management Council and as an associate member of the National Farm Transition Network. The National Farm Transition Network is a US-based organization comprised of state/provincial governments, extension, and non-profit organizations that focus resources and programming on new farmers and farm succession.

In partnership with Manitoba Labour and Immigration, staff were involved in new investment initiatives including the assessment of foreign individuals interested in agriculture operations in Manitoba. During the year, assessment reports were completed on 21 agricultural applicants to the Provincial Nominee Program for Business Immigrants. Nineteen applicants were approved for nomination accounting for a minimum of $17.0 million of investment in Manitoba. This work continues to be a joint effort in conjunction with Economic Development and Mines, as well as Labour and Immigration.

Provincial Farm Safety Coordinator

This initiative, introduced by the Ministers of Labour and Immigration and Agriculture, Food and Rural Initiatives in 2002, continues to bring collaboration and focused resources on agricultural safety and health issues in Manitoba.

Four key areas have been targeted:

- Guide the industry as it moves towards assuming greater internal responsibility for addressing safety and health
- Integration of farm safety and health into farm business management planning and environmental farm planning
- Development of end-user resources for older farmers and farm managers
- Extend farm safety partnerships with distinct communities, Regional Health Authorities and Manitoba Education, Citizenship and Youth

Achievements

- Collaboration with: CropLife with the Canada's Obsolete Pesticide return program, Assiniboine Community College's Manure Management training, Manitoba Pork Council and Keystone Agricultural Producers in their development of safety and health initiatives.
- Review of Manitoba's Environmental Farm Plan model to reflect workplace safety and health considerations.
- Development and distribution of a module on farm and rural safety and health as part of the Workplace Younger Worker Program for high schools.
- Assistance in the organization and resourcing of 24 Progressive Farmer Safety Day Camps across Manitoba.
- Discussions with the Manitoba Seniors Directorate on strategies for influencing older persons' safety and health.
- Continued collection of agricultural injury and fatality data for monitoring and educational purposes.

Agri-Ventures

The Agri-Ventures Section focused on new and emerging opportunities in industry development through marketing capabilities and increased utilization and commercialization of agricultural commodities. Agri-Ventures staff provided consultation in:

- business diagnostics
- technical and financial path finding services
- competitive business intelligence
- expansion and diversification of farm enterprises
- determining financial viability
- profit centre competitiveness
- business advantage

Staff worked with commodity organizations and producer groups to facilitate integrated industry alliances, providing information towards developing sector strategies and identifying barriers to commercialization. The Section participated in meetings with the Herb Society, Medicinal and Aromatic Plants Association, and Seabuckthorn Growers focused on the development of an industry cluster associated with botanicals, nutraceuticals, functional foods and ingredients.

The Manitoba Agri-Ventures Initiatives (MAVI) program makes funding assistance available to facilitate industry development and business ventures that will create new uses for agricultural products, add value and develop new markets for agricultural commodities and food production in Manitoba. Seventeen projects received funding for business feasibility studies, planning and market investigation.

Various MAVI projects assist in:

- regional, domestic and international market contacts for Manitoba food products including: baked goods, small fruits and condiments
- new marketing techniques, access to new markets and new product development for Manitoba meat products
- new market alliances for promoting Manitoba commodities including organic, natural foods and nutraceutical products
- innovative food product developments utilizing Manitoba commodities and ingredients
- determination of feasibility and market demand for higher value feeds and processed forage products

Staff continued to support inter-government collaboration in collecting, assessing, and sharing information under the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Over 3,300 Manitoba companies were jointly surveyed to determine export readiness as well as market potential resulting in information used to populate the provincial Manitoba Companies Database and shared with the Virtual Trade Commissioner information system. This database also provides the basis for a number of Directories including Food Products, Agriculture and Food Ventures in Manitoba, and Tourism Cuisine Directory, as well as other business development and marketing resources.

Agri-Ventures staff provided assistance to groups involved in agri-tourism and direct farm marketing. In partnership with the national agri-tourism network, regional agri-tourism networks continued to develop business opportunities in areas of Manitoba. The 10th annual Direct Farm Marketing Conference served as a focal point for 150 participants including farmers and small agri-business enterprises to exchange ideas on innovative entrepreneurial marketing techniques, economic rejuvenation, quality standards, industry performance benchmarks and electronic commerce.

Agri-Ventures staff participated in Ag Days, Horticulture Industry Days, Rural Forum, Association of Manitoba Municipalities provincial and regional meetings. Agricultural economic development assistance was provided to the Manitoba Herb Society, Medicinal and Aromatic Plant Association, Manitoba Seabuckthorn Growers, Manitoba Beekeepers, Manitoba Pulse Growers, Manitoba Elk Growers, Manitoba Vegetable Growers, Prairie Fruit Growers, Manitoba Forage Council, Organic Producers of Manitoba, Manitoba Country Vacations, Conseil de developpement economique du Manitoba, Canadian Organic Marketing, Manitoba Limousin Association, Manitoba Buckwheat Growers, and Manitoba Food Processors Association.

Coordination of departmental French Language Services included working with staff to provide up to date information, ensuring comparable quality service to Manitoba's French-speaking population. This includes the availability and accessibility of French language resources.

Market Development and Promotion

The section worked with Manitoba Trade (Intergovernmental Affairs and Trade) and industry in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products. The section provided information and consultation to producers, processors, marketing boards, commodity associations, staff and industry partners for market development.

With a focus on value-added product marketing and business investment, staff assisted with the participation of Manitoba companies in trade shows such as World Meat Congress (hosted in Manitoba), Salon International de L'alimentation (SIAL), Canadian Produce Marketing Association trade show, Ag Days, Hog and Poultry Days, Rural Forum, and American Dietetics Association Food Conference and Expo.

Representation to Federal/Provincial Market Development Council initiatives provides inter-provincial and national cooperation in market development activity for Manitoba businesses. In cooperation with

Manitoba Trade, staff contributed to the USA and European sector teams for the Canadian International Business Strategy providing input into the national program to reflect needs of Manitoba's agriculture and agri-food sector. Other major initiatives include the development of a Brand Canada campaign for international markets, Industry–driven Value Chain Round Tables and export border assistance entering the Mexico market.

Staff supported the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity, which facilitates a co-operative government and industry approach to trade development in Manitoba. MAFRI staff demonstrated its commitment to this collaboration through enhanced communication, coordination of calendars, events, and use of resources.

Staff worked with the Manitoba Food Processors Association and the Promotions Committee of Manitoba commodity boards in promotion of Manitoba food products. Project initiatives included materials linked to meat promotion (*Mmmm... Meat Campaign*), mall trade shows, and working with the Agri-Food Store to promote Manitoba made products. Staff provided linkages to Manitoba Chefs, the Restaurant Association, and Manitoba Cuisine Tourism Council. Building on these linkages, staff provided assistance in further development of Regional Cuisine initiatives for rural entrepreneurs, as well as Manitoba food promotion through the Mystery Feast event.

Staff updated materials for the Manitoba Food Products Directory and produced a printed and web-based exporter directory for dairy and forages, display materials and food related publications such as Spirited Entertainment. In partnership with industry and producer associations, The Great Tastes of Manitoba Initiative features Manitoba foods in the program series on local television networks, as well as local print media promotion.

Sustainable Development

In 2004/2005, the Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Stewardship (Principle #2)

- In the *Agriculture and Food Ventures in Manitoba* directory, emphasis was placed on including companies that deal in wild harvested products and certified organic production. The northern community plays a key role in the growth and success of the wild harvested produc's sector, and in the organic sector, strong support has been provided to small businesses, community based businesses, and co-operatives. Also, as consumers increasingly request information on food additives and the use of agriculture based chemicals, the section supported agri-businesses that use the eco-label or the energy star symbol.

Shared Responsibility and Understanding (Principle #3)

- Manitoba's 62 Agricultural Societies and 645 Manitoba Women's Institute members are committed to providing leadership, thereby contributing to the sustainability of the social and economic structure of rural communities. This is provided through the rural fairs and exhibitions held throughout the province, as well as through seminars, activities, conferences, and community service to provide information in support of sustaining the economic, environmental ,and social well being of rural farm families.

- The Home Economics Section, through dissemination of information and the delivery of community-based training, contributed to the leadership and skill development of rural people. The section also provided consumer, producer, and processor education related to the safe handling of food which encouraged stakeholders to make responsible decisions related to the safety of the food supply. The Home Economics and Farm Management Sections also facilitate the development of family farm business transfer information as well as training for farmers and professional advisors working with producers.

- The Farm Management Section provided 36 cost of production documents that provide guidance in evaluating the profitability and sustainability of the production sectors within agriculture. These guidelines are updated and new ones developed when opportunities for Manitoba producers are identified. Farm Management and Home Economics continued to provide support for the Young and Beginning Farmers Committee, Bridging Generations Initiative, and Succeeding Generations. The commitment to provide programming and resources to this target group is important to ensure the viable transfer of the industry to the next generation.

Rehabilitation and Reclamation (Principle #6)

- The 4-H and Youth Section provided support, resources, and leadership for 216 4-H clubs in rural and northern communities involving 4,211 youth (ages 8-19) and 1,772 volunteer leaders. The 19th annual 4-H Highway Clean-Up Campaign also took place with 82 4-H clubs participating and cleaning 1,051 kms of roadsides.

4 (a) Marketing and Farm Business Management

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	1,554.3	28.54	1,641.5	(87.2)	
(2) Other Expenditures	1,093.6		999.8	93.8	
(3) Agricultural Societies Grant Assistance					
-Grants/Transfer Payments	364.7		368.4	(3.7)	
(4) Other Grant Assistance					
-Grants/Transfer Payments	43.5		43.6	(0.1)	
TOTAL EXPENDITURES	3,056.1	28.54	3,053.3	2.8	

Appropriation 4 (b) - Animal Industry

The Animal Industry Branch provides technical support, specialized services, and information to regional extension staff, producers, the food industry, and consumers. These services are aimed at enhancing the development, productivity, diversification and skills of Manitoba's livestock producers and processors. The branch also administers regulations pertaining to *The Dairy Act, The Margarine Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* The Branch is comprised of three sections: Livestock Development & Diversification, Food Quality & Product Development, and Production Quality & Safety.

All sections are engaged in comprehensive extension activities through the support and co-operation of regional extension staff. Staff attended regional producer meetings and serve as speakers or technical advisers at workshops and demonstrations. They also conducted on-farm and telephone consultations. Timely, technical information was disseminated through publications, news releases, and the media. Staff continued to upgrade Manitoba Agriculture, Food and Rural Initiatives' Website, and numerous publications were made available on the Internet. The branch worked with industry to develop their work plans for the year, ensuring that the programs implemented by the branch were focussed in areas needed by industry.

Staff are involved at the national level in the development of harmonized national legislation for food, the dairy sector regulation and code, the meat regulation and code, and on-farm food safety programs.

With the implementation of the Department's new Growing Opportunities structure, the branch underwent organizational changes. These changes will enable the Department to better meet the needs of the modern agriculture and food sectors and the challenges facing rural communities which will be reflected in future activity reporting.

Livestock Development & Diversification Section

The role of this section is to co-operate with industry to develop and deliver programs that will have maximum impact on animal agriculture and to improve extension capabilities and visibility through participation with regional staff at producer meetings. This section administers the following acts and their regulations: *The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* Section staff worked on updating the Elk Game Production Regulation.

Beef Cattle

The Beef Feeder and Feedlot Specialist and the Beef Cow/Calf Specialist provided technical support to regional staff, producers, and industry representatives. Staff were invited to speak at 53 producer meetings, providing information on management, marketing techniques, and current issues facing the beef industry. Staff provided unbiased information and assistance to new producers interested in entering the beef industry. Information was also provided through farm and phone consultations. Staff visited all 12 stock yards for a total of 36 yard visits to check licenses and discuss problems related to *The Livestock and Livestock Products Act.*

Staff revised fact sheets, web pages, and other extension material, and developed new and relevant information packages that were aimed at producers, to improve production and profitability parameters. Provincially coordinated activities such as tours, workshops, and extension material were made available to all groups within the industry. The focus of these activities was the productivity and sustainability of the Manitoba beef industry.

Staff maintained a computerized registry for 5,999 livestock brands of which 3,320 are active brands. Licences were issued to 102 livestock dealers and 89 agents.

Staff are currently involved in the Bovine Spongiform Encephalopathy (BSE) Fed Cattle Set-a-Side and the Calf Set-a-Side Programs. Since May 2003, branch staff have taken a lead role in administrating/managing eight different Federal or Provincial BSE programs.

Dairy

Manitoba Agriculture, Food and Rural Initiatives (MAFRI) staff continued to work closely with Manitoba producers to solve milk quality problems. Numerous farm calls to producers were made during which equipment was tested and milking management routines were evaluated. In many cases, milk samples were taken for culture to specifically identify problematic mastitis cases. Dairy Farmers of Manitoba were able to direct MAFRI staff to producers in milk quality infraction penalty. The dairy specialist liaised with the producers' veterinarian and equipment dealers in making changes to ensure the producers stay out of penalty.

In addition to milk quality, MAFRI staff made a number of on-farm consultations in many other areas of dairy production such as health, cow comfort, barn redesign and set up, nutrition, stray voltage, and reproduction. Extension presentations were delivered to producers, staff, and university/college students.

The dairy specialist organized an open day and seminar with the University of Manitoba attended by producers and industry, on a range of topical information from financing schemes to milk quality. Three new fact sheets were produced for distribution through the website. The Cost of Production spreadsheet for a 100 kg quota facility was updated with 2004 information.

Producers have identified a shortage of trained employees. The dairy specialist, in conjunction with Assiniboine Community College, is developing a dairy herdsperson training course to increase the number of trained personnel. It is envisaged that producers would send their staff on these courses during the winter months. A questionnaire was sent to all producers which generated favorable feedback and identified content areas to be included in the future training course.

Swine

MAFRI staff continued to work with the industry that produced approximately 8.0 million pigs during 2004/2005.

There were four issues of the *Manitoba Swine Update* produced by staff and distributed to Manitoba producers through the Manitoba Pork Council. Copies of the *Manitoba Swine Update* are distributed to clients throughout many regions of the world. Considerable time was dedicated to planning and organizing the Manitoba Swine Seminar, which attracted more than 350 participants. The theme of the seminar was "Sharing Ideas and Information for Efficient Pork Production" and featured a professionally prepared proceedings book. Articles from the *Manitoba Swine Update* and the proceeding papers from the *Manitoba Swine Seminar* were posted on MAFRI's Pork Website.

Staff participated in the department-wide initiative to increase swine production knowledge through producer meetings, updating cost of production guidelines, preparing three articles for the Nutrition Update, and participating in the organization of the "Living With Livestock – Environment and Change Conference 2004". In addition, staff contributed to the updating of fact sheets in the "Living with Livestock Production" series and contributed considerable information to the recent provincial ethanol initiative.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee, which developed the Pork Production Manager Training Program, and provided input toward the development of the Pork Production Technician Apprenticeship program. The swine specialist was involved in providing feeding recommendations in response to requests from producers, veterinarians, and agri-business.

In conjunction with the Marketing and Farm Business Management Branch, staff provided informational presentations about pig production in Manitoba for international clients from Japan and China.

The swine specialist was appointed as a member of Manitoba's Phosphorus Expert Committee and participated in several committee meetings, as well as assisting with the preparation of a draft document outlining the committee's recommendations.

Dairy Nutrition

Through the Dairy Nutrition Program, staff ensured that those involved in dairy production have access to the most current technical information on nutritional practices. The demand for nutritional services came from a variety of sources including producers, MAFRI staff, feed company representatives, and practicing veterinarians.

Practical and detailed feeding recommendations were provided in response to feed analyses, farm visits, and verbal requests. Recommendations on ration formulation and feeding practices were made by mail and telephone to producers, veterinarians, and agri-business.

Staff continued to organize and chair quarterly meetings of the Manitoba Practising Animal Nutritionists Group to increase discussion, understanding, and co-operation within the feed industry.

During 2004/2005, eight major presentations on various aspects of nutrition were given at producer and staff meetings. Bi-monthly articles on nutrition were written for the Dairy Farmers of Manitoba newsletter, *Milkline*. Three issues were published of *Nutrition Update*, a technical newsletter prepared for department staff, veterinarians, and feed industry representatives. As well, seven fact sheets were either written or revised. A major extension activity was the development and delivery of "Cattle Production for Women", a series of workshops held in conjunction with the Provincial Cow/Calf Specialist. These one-day workshops were delivered at six locations with over 200 people in attendance. One "Silage Production Workshop" was also held.

Equine

Equine extension and technology transfer in the areas of equine ranching, light/pleasure horse, feedlot, and hobby horse industries were carried out through staff and producer contacts. Technical information was prepared and coordinated for individual industry magazines and in response to requests from individuals.

The Equine Extension Program is designed to ensure that producers and owners of horses, breed associations, the Manitoba Horse Council, other government departments, and the general public have access to the most current technical information on the equine industry. The equine industry recognizes that industry standards and guidelines, as set out in *Codes of Practice*, inform the public about responsible animal care. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on Pregnant Mare Unit (PMU) Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

The Equine Extension Program, in co-operation with the 4-H Program and Manitoba Equine Ranchers, has implemented a 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals. Both Saskatchewan and Alberta 4-H adopted the program.

Bison

The role of the Bison Extension Program is to ensure that new and existing producers have access to the most current technical information on bison production. The demand for bison information came from producers, department staff, financial institutions, feed company representatives, veterinarians, and consulting firms. Practical and detailed bison management recommendations were provided through industry meetings, farm visits, and direct producer calls of which many were directly related to bovine spongiform encephalopathy (BSE) information. There were also consumer direct calls and e-mails

regarding information on bison meat products. Bison production with First Nations involved an increasing number of contacts.

Staff assisted the Manitoba Bison Association in the promotion and guidance of various industry development activities including seminars and a bison annual meeting.

The specialist worked with the Canadian Bison Association in the ongoing development of the Canadian Bison Association On-Farm Food Safety Program.

The Bison Specialist provides extension support to the finishing industry. Due to BSE, Manitoba bison producers who were shareholders in the North American Bison Co-operative, located in North Dakota, were unable to ship live animals. This resulted in a severe change in the Manitoba industry. The industry changed from live animal marketing to local marketing of bison products.

The Manitoba bison industry has 210 producers, of which, 75 are members of the Manitoba Bison Association.

Sheep

The sheep extension program ensures that both existing and new producers have access to the most current technical information on sheep production. The demand for sheep information arises from producers, department staff, feed company representatives, veterinarians, and consulting firms. Five newsletters and continuous website updates were used to keep Manitoba sheep producers informed on current issues.

The Sheep and Goat Specialist continued to participate in the steering committee of the Manitoba Sheep Industry Initiative, which was supported financially by the Manitoba Rural Adaptation Council Inc. (MRAC). The Manitoba Sheep Association Inc. (MSA) prepared another proposal, which received funding approval from MRAC. The second MSA project has a food safety, flock health, and a value chain component. The Western Canadian Flock Health Program is now being implemented in Manitoba. The MSA has hired a part-time Manager to run their office.

The Canadian and Manitoba sheep industry has been adversely affected by the closure of the United States border. Marketing has been significantly disrupted, with decreases in returns to sheep producers. The disruptions in marketing will likely lead to an increase in the size of the Manitoba sheep flock. Domestic processing and consumption has increased in Ontario which has greatly benefited Manitoba.

In co-operation with MSA, department staff participated in a number of extension meetings and field days. The Sheep and Goat Specialist is a member of the national sheep On-Farm Food Safety committee, the Leafy Spurge Stakeholders Group, and Manitoba Grazing School program committee. Manitoba's sheep and lamb industry is the sixth largest in Canada. The 2003 inventory consists of 41,500 ewes, which is 6.7 per cent of the total number of ewes in Canada. Manitoba has the largest feedlot operation in Canada, feeding 80,000 lambs annually.

Goats

The Sheep and Goat Specialist and the Manitoba Goat Association (MGA) continued in developing a business plan to meet the needs of the industry. A number of consultations were dealt with by telephone. The MAFRI/MGA website continued to be updated. The goat industry is working on development of a national on-farm food safety program and a national identification program. Two national on-farm food safety meetings were held in Winnipeg.

The number of Manitoba goat farms remained constant, and the number of goats increased to 13,000 in 2003. Manitoba presently holds seven per cent of the number of goats in Canada. The goat industry has not been impacted as severely as the sheep industry by the closed Unites States border. The main effect has been on breeding stock sales.

Livestock Environment

The Livestock Environment Engineer and the Livestock Environment Specialist promote the sustainable expansion of the livestock industry in Manitoba. The Livestock Environment Team develops strategies and disseminates information on the management of livestock manure and protection of land, air, and water resources in order to help the industry operate in harmony with its neighbours and the environment. The Livestock Environment Team works in co-operation with MAFRI's engineers, livestock, soil management and conservation specialists, as well as Manitoba Conservation.

All updates and revisions to the *Farm Practices Guidelines for Livestock Producers in Manitoba* have been put on hold while Governments proceed with legislative changes as a result of the Livestock Stewardship Initiative.

The Manure Applications Rate Calculator (MARC 2005) is a more advanced version of MARC98. It is the standard software tool for manure management planning in Manitoba. The software is used by many producers to file manure management plans required by Manitoba Conservation. It is designed to provide improved record keeping for crop and livestock producers who use manure as a fertilizer, give users more flexibility in the types of manure they apply and the methods of application they can use and automatically fill out and print manure management plan reports. The software can be downloaded from the MAFRI Home Page. A hard copy of the user manual is available at local MAFRI offices.

The Livestock Environment Specialist served as a technical representative on the technical committees under the Prairie Provinces Committee on Livestock Development and Manure Management. Within the scope of these committees, prairie-wide design and construction standards for liquid manure storage structures have been drafted. The Manitoba version of the Tri-Provincial Manure Application and Use Guidelines were published in January 2004. These guidelines are also available on the MAFRI website. Manitoba hosted the Tri-Provincial conference "Living with Livestock: Environment and Change" in 2004. The Livestock Environment Specialist was the program co-chair.

The Livestock Environment Specialist is a member of the committee that creates the "Living with Livestock Production" fact sheet series. These fact sheets are geared towards the general public and address issues of concern surrounding livestock production. In the spring of 2004, two new fact sheets were published which address the confinement of livestock and phosphorus in soil and water.

The Livestock Environment Specialist participated on the MAFRI Sustainability Route Champion Team and the Federal-Provincial Implementation Committee for the Environment Chapter of the Agricultural Policy Framework (APF). The specialist's participation in the Environment Chapter of the APF also includes membership on the Environmental Farm Planning and Scan sub-working groups.

The Livestock Environment Specialist provides ongoing technical assistance and advice to MAFRI Executive and the Departments of Water Stewardship and Conservation in response to and in support of the development of legislation and policy meant to address water quality issues. Recent initiatives include the new *Water Protection Act* and possible amendment of the *Livestock Manure and Mortalities Management Regulation* under *The Environment Act*. Specific duties have included land base assessment for phosphorus-based manure application in certain Rural Municipalities and participation in the Phosphorus Expert Committee. The latter has recently submitted recommendations to the Minister of Conservation on regulatory and other approaches to mitigate the loss and impact of agricultural phosphorus on surface water quality.

The Livestock Environment Specialist led a collaborative project with the Manitoba Cattle Producers Association (MCPA) that, with the assistance of other MAFRI specialists and regional staff, characterized solid beef manure nutrient contents and management. Almost 100 samples were collected from different operations across Agro-Manitoba and analyzed by an accredited laboratory. Information on beef production (e.g. feed rations) and manure management practices (e.g. storage and handling) was also collected for each operation. Test results and operation data were compiled, analyzed and summarized for use by MCPA and MAFRI staff.

The Livestock Environment Engineer deals with issues regarding disposal of animal mortalities in Manitoba. The engineer participates on various provincial and national committees and working groups to ensure sustainable disposal of animal mortalities.

The Livestock Environment Engineer is the lead for composting animal mortalities. Many presentations on composting have been delivered as requested by different organizations. Mortality composting workshops are offered to educate producers, staff, and the public on composting. An interactive website called *The Bare Bones of Carcass Composting* has also been developed as an extension tool. Furthermore, the Livestock Environment Engineer is involved in numerous composting projects throughout Manitoba involving government, producers, industry, and the University of Manitoba.

The Livestock Environment Engineer is involved with agricultural technology transfer initiatives. On-farm projects involving renewable energy are assessed by the engineer and technical expertise is provided. The engineer has been involved in evaluating technologies such as wind energy, solar energy, incineration, anaerobic digestion, and gasification.

The Livestock Environment Engineer serves as a technical representative on the Waste Reduction and Pollution Prevention Committee (WRAPP). The WRAPP Fund is designed to help organizations, businesses and local governments move toward more sustainable waste management and pollution prevention practices. Emphasis for funding is on projects which focus on waste reduction, pollution prevention, and environmental education.

Routine information dissemination included numerous presentations to staff, industry, and the University of Manitoba on various issues surrounding manure management. The branch played a key role in training staff in other government departments.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. In co-operation with the poultry industry, nine industry and small flock seminars were organized with a total attendance of 330 people. Topics covered included on-farm food safety, biosecurity, barn ventilation, and growing drug-free poultry. Three newsletter articles were written and distributed with the *Nutrition Update*. The Poultry Specialist spoke at one pullet, one hatching egg, three egg, and two broiler meetings.

Twenty-four on-farm evaluations of barn ventilation systems were completed. For the first time, airflows in these barns were actually measured and compared to achievable targets. New monitoring tools including an airspeed gauge and a carbon monoxide monitor were used. Detailed airflow diagrams and summaries were provided to producers. One producer added extra inlets recommended by the Poultry Specialist with good results. Another producer incorporated ideas from the ventilation report into the design of his new barn. The ventilation evaluations are continuing with strong producer interest.

Avian Influenza caused severe economic hardship in British Columbia and the poultry industry is working to prevent it from causing problems in Manitoba. MAFRI staff led an Avian Influenza preparedness planning meeting for the egg industry. As a result of this meeting, egg graders are planning to introduce plastic egg pallets which can be washed to reduce the risk of disease spread between farms. MAFRI staff organized a meeting of representatives of MAFRI, Manitoba Health, Manitoba Conservation and the Canadian Food Inspection Agency to discuss how to deal with an Avian Influenza outbreak. As part of a meeting for fancy flock owners, the risk of introducing foreign diseases was discussed; these meetings with small flock owners will be continued annually.

Dry manure storage has been promoted as a more "neighbour friendly" method of storing laying hen manure. Producers have invested significant sums of money in dry manure storages ($50,000 +) but have experienced significant problems with excess manure moisture and poor "stackability". To investigate these problems, the depth, moisture level and nutrient content of manure was measured in dry

manure storage structures on commercial farms. Contrary to common industry belief, feed was not a major factor influencing manure moisture level. Preliminary findings indicate that an airspeed of 80 feet per minute is needed across the manure belt in order to achieve the desired manure moisture. A *Living with Livestock* grant has been obtained to investigate the effectiveness of manure belt fans to dry the manure in-barn. More frequent cleaning of the manure belts also appears to be helpful and a trial is being planned to determine the optimum frequency. One producer, in response to findings from the measurements taken at his farm, has already made changes in how often the belts are cleaned and has reported positive results. It was determined that MAFRI's *Poultry Guidelines* significantly overestimate annual manure volume produced.

Work continued on a barn environment and mist cooling model incorporating 10 years of hourly climate data for Winnipeg. Mist cooling systems were tested on four poultry farms. A farm with a low-cost sprinkler system has requested further testing this summer to determine if the birds benefit during periods of heat stress.

Organic poultry diets were formulated for people wanting to produce organic chicken, turkey, and eggs. The Poultry Specialist worked with a Manitoba distributor wanting to create markets for organic and natural poultry products in the USA. The Poultry Specialist has written a grant request to investigate the viability of growing drug-free birds under commercial conditions.

The Poultry Specialist and Poultry Technologist assisted in staffing the Manitoba Egg Producers' caged hen displays at the Red River Exhibition in Winnipeg and the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

The Poultry Technologist and the Poultry Specialist assisted with the documentation and blood testing for breeder flocks needing export permits. Veterinary Services Branch staff and the Dairy Lab tested all of the samples collected. The government-testing program supported the export of $8 million of chicks and poults to the USA in 2004. Without the involvement of the Province to oversee and provide third party verification of the results, these exports could not occur. The testing program also helped to provide quality assurance to the customers in other provinces who purchased an additional $6 million of chicks, poults, and hatching eggs from Manitoba hatcheries.

Food Quality & Product Development Section

Under *The Dairy Act* and *Dairy Regulation*, the Food Quality and Product Development Section licensed 15 dairy processing facilities and 238 dairy industry personnel. Staff conducted 102 plant inspections and follow-up visits that ensured compliance with satisfactory manufacturing practices. Staff provided processors with technology transfer services and assistance in product and process development. These services and assistance were provided in a "trouble-shooting" capacity and during plant construction or expansion. The Pasteurization Control Program remained a high consumer safety priority for the branch. Inspection staff continued their collaborative work with The Canadian Food Inspection Agency in "single window" plant inspections.

The Provincial Dairy Laboratory performed 58,486 analyses on raw milk and 3,337 analyses on processed dairy products. Milk from each of the province's dairy farms was analysed on a monthly basis for bacteria, antibiotics, added water, and somatic cell count. The average somatic cell count in 2004 was 243,917, which was higher than the 2003 average of 232,750, and far below the national standard of 500,000. Over 283 analyses for antibiotics were performed upon special request of the province's dairy producers while working with the dairy specialists, farm inspectors, or Dairy Farmers of Manitoba. At the request of the Dairy specialist or a veterinarian, 1096 extension somatic cell count analyses were completed. Laboratory analytical results were employed in the certificate program administered by the Dairy Farmers of Manitoba. The Provincial Dairy Laboratory strengthened antibiotic testing capabilities and worked closely with industry in this area.

Staff organized and delivered courses to dairy industry personnel such as bulk milk graders, milk receivers, and cheesemakers, and served as primary instructors in thermal processing courses offered through the University of Manitoba. Instruction was provided in Hazard Analysis Critical Control Point (HACCP) to several dairy processing plants. In addition, staff performed on-site training sessions to dairy industry personnel.

Extension services toward industry development were provided through technical and marketing information to livestock processors in the province, for both food and non-food applications. On-site visits to meat and dairy processing plants province-wide were also an integral part of the section's activities.

Staff were heavily involved in programs related to the BSE issue such as:

- Intergovernmental Committee on Deadstock and Butcher Waste Disposal
- Made in Manitoba Beef Fund
- Rancher's Choice Beef Project
- Deadstock Pickup Program
- SRM Disposal.

Staff continued to be actively involved in a variety of national committees pertaining to the quality of livestock products such as National Liaison Group on Milk Products' Quality, Federal-Provincial Dairy Committee, and the Dairy Code Amendment Committee.

Staff provided a significant contribution to the ongoing development of harmonized food legislation for Canada including the National Dairy Regulation and Code, the HACCP Systems, and HACCP-Based Program Recognition Protocol.

Production Quality & Safety Section

The section was involved in the administration, enforcement, and development of agriculture and agri-food legislation. Inspectors in the section are appointed under *The Dairy Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act*, and also have a limited appointment under *The Wildlife Act*. Section staff are also actively involved in the development of food safety programs for on-farm and government recognition criteria for HACCP-based programs and HACCP systems.

Dairy Farm Inspection Services

Under *The Dairy Act* and *Dairy Regulation*, the Production Quality and Safety Section provides farm inspection services to 509 dairy farms in the province. Inspectors conducted 618 dairy farm inspections that involved scheduled inspections, re-inspections, and compliance visits of cow, sheep, and goat dairies. Dairy inspectors also inspected bulk milk truck drivers for performance of duties such as sampling for quality, sample care, and truck sanitation.

Inspectors also conducted farm visits to assist producers in troubleshooting milk quality and safety problems as well as reviewing new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards for raw milk, and also to assist in improving productivity.

Staff provided processing plants with food safety and Hazard Analysis Critical Control Point (HACCP) information, inspection services, and assisted in the organization and delivery of the Bulk Milk Graders' and Milk Receivers' Course.

Staff are working with the Canadian Food Inspection Agency (CFIA) and provincial governments to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling.

Poultry Licensing and Inspection Services

Under *The Livestock and Livestock Products Act* and *Hatchery and Hatchery Supply Flock Regulation*, the Production Quality and Safety Section approved 64 hatchery supply flocks and issued licences to ten hatcheries. Staff conducted 110 poultry farm inspections to ensure compliance to safety and quality standards. The section also issued 11 poultry dealer licences and ten hatchery licences under *The Livestock and Livestock Products Act* and *Poultry Products Regulation*.

The section facilitated the export of approximately $8 million Manitoba chicks, poults, and hatching eggs into the USA. Producers paid for the costs of testing under the program.

Section staff were involved in the organization of Small Flock Seminars, and Hog and Poultry Days. Staff also published the *Breeder Bulletin Newsletter* which was distributed to all hatching egg producers. To increase public awareness of agriculture and poultry, staff conducted incubation and hatchery seminars for local schools. Staff worked with producers to assist them in increasing productivity through alternate management techniques.

Elk Farm Inspection

The section administered and enforced *The Livestock Industry Diversification* Act and the *Elk Game Production Regulation*.

The regulatory duties include the inspection of all elk farms on an annual basis to ensure that facilities are properly constructed and maintained, and that game farm operators comply with requirements as specified in the Act and Regulations. The *Elk Game Production Regulation* is under revision.

The extensive database identifying all the particulars of each game farm elk (including its past and present location) is being maintained.

Federal/Provincial/Territorial Food Safety Initiatives

On-Farm Food Safety

Staff continued to work with commodity organizations to develop and implement on-farm food safety programs. Staff worked closely with the Canadian Sheep Federation and the Canadian National Goat Federation on the continued development of national on-farm food safety programs for these commodities. Assistance was also provided by staff to other groups in the distribution of program materials and the training of industry stakeholders with respect to on-farm food safety programs.

Staff were involved in the Federal/Provincial/Territorial On-Farm Food Safety Sub-committee that is developing a national approach to the recognition of on-farm food safety programs. In addition, staff participated in all the government technical reviews of industry national on-farm food safety programs seeking government recognition.

Post-Farm Food Safety

Staff participated in the Federal/Provincial/Territorial Working Group, under the Canadian Food Inspection System Implementation Group (CFISIG), that is developing a national strategy for the recognition of industry developed HACCP systems and HACCP-based programs.

Equivalency

Staff are working with the Canadian Food Inspection Agency (CFIA) and provincial governments to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling. The terms of reference of the committee is being expanded to include dairy processing.

Sustainable Development

In 2004/2005, the Animal Industry Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Stewardship (Principle #2)

- Staff represented the department on the Canadian Standard Association's Technical Committee for the development of a national, voluntary environmental management system for hog producers.

- Staff had a representation on technical committees under the Prairie Provinces Committee on Livestock Development and Manure Management that developed the Tri-Provincial Manure Application and Use Guidelines and in the development of Tri-Provincial Manure Storage Structure Standards.

Shared Responsibility and Understanding (Principle #3)

- Branch staff participated in the development of Manure Applicator Rate Calculator software and Custom Manure Applicator Course developed by the Assiniboine Community College, and participated in the National Expert Committee on Manure Management under the Canadian Agri-Food Research Council.

Conservation and Enhancement (Principle #5)

- Staff participated in the departmental review of the Manitoba Livestock Manure and Mortalities Management Regulation and Manitoba Conservation's proposals for amendments.

- Staff participated on the MAFRI Sustainability Route Champion Team and the Federal-Provincial Implementation Committee for the Environment Chapter of the Agricultural Policy Framework.

Global Responsibility (Principle #7)

- The branch participated in the departmental review of the Manitoba Livestock Manure and Mortalities Management Regulation and Manitoba Conservation's proposals for amendments. Staff also participated in the development of Tri-Provincial Manure Application and Use Guidelines, Tri-Provincial Manure Storage Structure Standards, and a Tri-Provincial "one stop shop" Internet site providing information on all research projects related to livestock and the environment that have been conducted on the prairies.

4 (b) Animal Industry

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	1,869.2	32.78	1,763.5	105.7	
(2) Other Expenditures	515.6		590.1	(74.5)	
TOTAL EXPENDITURES	2,384.8	32.78	2,353.6	31.2	

Appropriation 4 (c) - Veterinary Services

The objectives of the Veterinary Services Branch in 2004/2005 were: to provide the necessary resources for diagnosis of livestock diseases while promoting animal health; to encourage the use of veterinary services and laboratory diagnosis by livestock producers; to administer public animal hospitals; to provide extension services to livestock producers; to conduct disease surveillance; and to administer the Humane Inspection Program in the province.

In 2004/2005 the Branch administered *The Veterinary Services Act, The Veterinary Science Scholarship Fund Act,* the recently amended *Animal Diseases Act,* and *The Animal Care Act*. *The Animal Care Act* includes provisions on animal abuse and neglect. As in 2003, the number of animal welfare complaints remained high in the calendar year 2004, compared to other years. The staff investigated 304 complaints, a rise of 5% from 2003 which was a third higher then the year before. Of the 304 complaints, 127 were deemed unjustified, 142 required corrective measures, nine warranted charges, and 18 had animals seized. It is believed, the number of cases in 2004 remained high because of poor pasture conditions in many parts of Manitoba and the economic forces of Bovine Spongiform Encephalopathy (BSE) causing the largest increase in cattle of any province and a poor price for aged cattle

Financial assistance was provided through, *The Veterinary Science Scholarship Fund* to 30 Manitoba students enrolled at the Western College of Veterinary Medicine. In addition, through the Summer Student Employment Program, 19 students in 2004 were provided with practical experience, while being encouraged to practice in Manitoba's rural areas upon graduation.

The Branch provides technical and specialist services to rural and urban veterinarians through the province's veterinary diagnostic laboratory. The laboratory received 16,157 cases in 2004/2005 which was similar to 2003/2004. Case submissions had decreased in 2003/2004 due to decreased activity in the farm sector from low swine prices and the BSE crisis. Surveillance testing for swine has increased 27% over 2003/2004 due to an outbreak of Swine Influenza caused by the H3N2 strain of swine influenza virus.

Producers benefit from the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs, and poultry provide a quick turn-around of results and greater utilization of services by the livestock producers. Whole herds are tested for certain diseases such as Bovine Virus Diarrhoea in cattle and Porcine Reproductive and Respiratory Syndrome in hogs. Advances in PCR technology, such as the RealTime PCR, will allow increased sensitivity of testing. New research in surveillance methods for diseases such as Johne's and Neosporosis in cattle, and Chronic Wasting Disease (CWD) in elk and deer has contributed to an increase in the numbers of tests performed.

The laboratory conducted West Nile Virus (WNV) surveillance in conjunction with Manitoba Health, Manitoba Conservation, the City of Winnipeg, and rural veterinarians. Surveillance for WNV included mainly processing, sampling, and testing of corvid samples. The number of equine samples decreased significantly.

A joint CWD surveillance project with Manitoba Conservation and Parks Canada of hunter-killed deer and elk involved processing of 558 deer and 123 elk brains that were tested at Prairie Diagnostic Centre, Saskatoon. All samples tested negative.

The number of samples prepared for Bovine Tuberculosis (TB) testing by CFIA increased to 1,035 from 429 in 2003.

Branch staff presented pathology demonstrations to Red River College (RRC) students and to veterinarians seeking accreditation for the Western Canadian Flock Health Program. They also provided assistance to the instructors of the Animal Health Technology course at RRC.

Field Services staff participated in approximately 60 extension seminars for beef, dairy, elk, bison, sheep, goat and horse producers. The main purpose of these seminars was to provide awareness and education to producers on issues such as: BSE, Bovine TB, WNV, biosecurity, CWD, and general herd health management. Staff also attended over 75 producer meetings and delivered course lectures at the University of Manitoba and RRC concerning animal health management issues.

Field staff conducted several disease investigations throughout the year in response to requests from Branch pathologists, private veterinarians, and affected livestock producers

Field and laboratory staff were also extensively involved in several disease surveillance programs including BSE, WNV, TB in wildlife, and CWD in farmed elk as well as wild deer and elk.

For BSE, Manitoba was one of the first provinces to meet their 2004 surveillance target number and exceeded it by 375 samples for a total of 1255 by the end of December. Sampling of higher risk cattle became possible through the hard work of producers, private veterinarians, Canadian Food Inspection Agency (CFIA) and provincial staff. For WNV surveillance laboratory staff provided the infrastructure for collection of oral cavity samples from corvids for further analysis. The laboratory recorded information on these samples directly into a national database that is maintained by the Canadian Co-operative Wildlife Health Centre in Saskatoon. Negative CWD surveillance testing in wildlife and mandatory CWD testing in farmed elk continued to support Manitoba does not have the disease. In the 2004/2005 hunt season, approximately 681 wild deer and elk were tested. In the 2004 calendar year, 302 farmed elk were analyzed.

Bovine TB continued to be a major focus of the Veterinary Services Branch in 2004/2005. The branch, along with Manitoba Conservation, Parks Canada, and CFIA, in co-operation with the Manitoba Cattle Producers Association and the Manitoba Wildlife Federation, participates in a TB Task Group. The goal of the group is to control and eradicate TB in wildlife and livestock. MAFRI supports the plan by providing $98,500 per year, as well as veterinary and laboratory staff time and materials. In 2004/2005, no additional positive domestic herds were found in the Riding Mountain TB Eradication Area (RMEA – game hunting areas 23 and 23A). Two wild elk and 2 whitetail deer were detected in the RMEA with hunter-killed and targeted collection surveys in 2004/2005. The RMEA has maintained its Canadian "accredited advanced TB" status and the rest of Manitoba their "TB-free" status.

Veterinary Services Branch continued to work with CFIA, Emergency Measures Organization, and producer groups to ensure that contingency plans are adequate and in place for Manitoba and Canada in preparedness for highly contagious foreign animal disease outbreaks in Canada or the USA. The British Columbia outbreak of Avian Influenza in 2004 indicates how costly these incursions can be.

Under *The Veterinary Services Act*, the Branch provided provincial grants to 28 veterinary districts. This funding helped support a 24-hour, seven-day-a-week service through approximately 55 veterinarians and their staff. During the year, meetings were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Branch assisted the Veterinary Services Commission with the administration and distribution of a $300,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program.

The Branch assisted in supporting livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. The Branch administered the Rabies Indemnity Program, a federal-provincial initiative to monitor the incidence of rabies. Payments within this program area totalled $2, 600 for 2004.

Sustainable Development

In 2004/2005, the Veterinary Services Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Stewardship (Principle #2)

- Branch staff assisted in delivering an accreditation program for veterinarians wishing to participate in the Western Canadian Flock Health Program for sheep.

Shared Responsibility and Understanding (Principle #3)

- Branch staff monitored diseases of economic, public health, and international trade significance. The Branch assisted producers in monitoring and controlling disease outbreaks through surveillance testing for BSE, TB, WNV, and CWD.

- Branch staff worked with others to publish one peer-reviewed article in the *Canadian Veterinary Journal* on chronic starvation in horses.

- Manitoba has gained both Canadian and American respect as a leader on animal welfare and foreign animal disease issues; staff presented at numerous provincial, national and international conferences on these topics.

Prevention (Principle #4)

- The Branch provided extension support through individual consultation and public meetings. Through *The Animal Care Act*, the Branch also provided enforcement in support of good animal care, and prevention of animal disease by working with the public, police, and animal control officers.

4 (c) Veterinary Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	2,065.4	40.79	2,366.9	(301.5)	
(2) Other Expenditures	1,088.2		1,100.1	(11.9)	
(3) Grant Assistance - Operating					
-Grants/Transfer Payments	517.4		473.3	44.1	
(4) Grant Assistance - Capital					
-Grants/Transfer Payments	300.0		300.0	-	
TOTAL EXPENDITURES	3,971.0	40.79	4,240.3	(269.3)	

Appropriation 4 (d) - Soils and Crops

Soils and Crops provides a coordinated program to enhance crop diversification, production, and utilization, while maintaining and enhancing soil and water resources. In support of these objectives, the Branch provides regional staff, agri-business, and farmers with technical support, along with specialized services and information. This overall support enhances the productivity, output, and marketing capability of Manitoba's crop producers.

The branch administers statutes and regulations related to several areas such as: beekeeping, pesticide dealer and applicator licensing, weed control, and horticulture. Direct support is also provided under the Environment Act Regulation that involves controlling crop residue burning. Soils and Crops also supports the delivery of agricultural research and sustainability programs and participates in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure. Soils and Crops assists in the administration of the Agri-Food Research and Development Initiative (ARDI).

The branch is comprised of five sections: Apiculture and Crop Diagnostics, Agricultural Resources, Crop Diversification, Crop Development, and Soils and Crops Programs. All sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through publications, news releases, the Internet, and local grower meetings.

With the implementation of the Department's new Growing Opportunities structure, the branch underwent organizational changes. These changes will enable the Department to better meet the needs of the modern agriculture and food sectors and the challenges facing rural communities which will be reflected in future activity reporting.

The Branch achieved the following results in 2004/2005:

Apiculture and Crop Diagnostics

The branch administered the *Manitoba Bee Act*, with staff coordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 5,163 honey bee colonies for American and European foulbrood diseases. The branch collected and analyzed 225 bee samples for the presence of the honey bee tracheal mite. The branch also sampled 126 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture Section staff participated in 12 extension meetings. The section provided industry updates and information on honey bee and leafcutting bee management to producers. Staff also attended, as technical advisors, Board of Director Meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association, and the Manitoba Forage Seed Association. Contributions were made to three issues of both the *Manitoba Beekeeper* and *Forage Seed Update* newsletters, which were distributed to approximately 2,500 individuals. In addition, staff taught an evening course in beekeeping at the University of Manitoba.

At the request of the Manitoba Forage Seed Association, MAFRI implemented a chalkbrood inspection program of leafcutting bee producers during the spring of 2004. Two inspectors were hired to conduct the survey resulting in a total of 130 leafcutting bee outfits being sampled. In addition, the section conducted a chalkbrood survey of feral bees using about 80 trap nests.

Through research, demonstration, and extension, staff continued to develop information related to understanding the economic benefits that result from the pollination of commercial crops by bees. Staff conducted two Covering New Ground research trials, both of which were completed in March 2005:

- Eradiation of honey bee comb for disease control
- Neutralization of paraformaldehyde fumigant following use on leafcutting bee cells.

In 2004, licenses were issued to 1,364 applicators and 487 dealers under *The Pesticides and Fertilizers Control Act*. Pesticide dealers and custom pesticide applicators are required to qualify for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 962 agricultural and 68 non-agricultural samples. There were 91 weed samples and 24 insect samples submitted for identification in 2004/2005.

Agricultural Resources

Agricultural Resources section staff participated in the delivery of the seventh year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground (CNG). Staff responsibilities associated with CNG included: coordination of provincial, regional, and crop diversification centre projects; provision of technical assistance to regional staff; local delivery organizations; producer groups; conservation districts; and environmental agencies.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta, and British Columbia was accomplished through staff participation on the Western Coordinating Committee on Environmentally Sustainable Agriculture. Representation on the federal-provincial Canada Committee on Natural Resources provides Manitoba's perspective on agricultural sustainability issues, including climate. Soil Conservation Council of Canada facilitates co-operation in addressing soil conservation/management concerns, which are presently focused on greenhouse gas emissions from the soil and carbon sequestration in soil organic matter. The Prairie Provinces' Committee on Livestock Development and Manure Management finalized the Tri-Provincial Manure Application and Use Guidelines. The Manitoba version has been printed, distributed and posted on the MAFRI website for downloading.

Section staff were responsible for the planning and delivery of field programs which included CNG projects and providing training and technical information to producers, as well as central and regional staff. Field programming involved activities related to manure management, specifically nitrogen management of soybean, and soil and land management, including reduced tillage.

Agricultural Resources section staff activities included: the delivery of the Irrigation Development Program; technical reviews of proposals associated with livestock industry expansion; the review of the Livestock Manure and Mortalities Management Regulation; Livestock Sustainability Initiative; appropriate *Environment Act* proposals; Manitoba Zero Tillage Research Farm; the Riparian Health Council; the Association of Irrigators in Manitoba; Regional Irrigation Associations; the Capital Region Review; and *The Planning Act* Review.

Staff coordinated and delivered the Crop Residue Burning Authorization Program established under the Burning of Crop Residue and Non-Crop Herbage Regulation.

A soil survey completed for a newly acquired quarter section of the Carman Research Station. A detailed soil inventory project in the Rural Municipality of De Salaberry continued. A complete soil resource inventory package was prepared for the Assiniboine Delta Aquifer. This package has been presented and serves as resource information in development of the Assiniboine Delta Aquifer Management Plan.

The Agrometeorology program continued with the delivery of agricultural weather information. Specific deliverables include maps of current, cumulative, and per cent of normal heat units and precipitation, daily crop water use estimates for irrigation scheduling, and various other value-added products. Simulation of crop development (using modeling and long-term climate data) was used to assess the risk of various crops not reaching maturity based on various planting dates and mid-season stages of development. Surveys of spring and fall soil moisture were collaborated and compiled by the Ag-met program to provide baseline moisture information. The Ag-met program was also actively involved in the daily crop residue burning authorizations.

In the area of land use planning, staff provided review and input on a range of land use issues through the assessment of subdivision applications (of which, there were 595), 195 written land use proposals including development plans, zoning by-laws, amendment by-laws, proposals associated with highways, gas and oil extraction, ecological reserves, annexations, etc. and technical advice on proposals filed pursuant to The Environment Act (of which, there were 32).

Crop Diversification

Manitoba continued to be the second largest producer of potatoes in Canada with a harvested acreage of 93,000 acres in 2004. Crop Diversification staff organized the following potato extension events: Potato Production Days, Western Potato Council Meeting, and weekly irrigation meetings during July and August.

Crop information was delivered to farmers and industry via seminars, newsletters, factsheets and publications. Seminars included: Fruit Growers program in the Direct Farm Marketing Conference; four speakers at the Manitoba corn school; Manitoba Forage Seed Association/Canadian Alfalfa and Forages Seed Conference; Vegetable Growers Association of Manitoba Annual Meeting.

Two guides were revised in the 2004/2005 year: The Vegetable Crop Protection Guide 2005 and the Fruit Crop Protection Guide 2004.

A variety of newsletters were produced in cooperation with industry partners. These included Potato Perspectives newsletter, in conjunction with the Manitoba Potato council and the Manitoba Crop Diversification Centre; the 2004-2005 Potato Research Project listing was produced and distributed; The Prairie Fruit Grower and the Prairie Fruit Journal, in conjunction with the Prairie Fruit Growers Association; Sachets Newsletter, in conjunction with the Medicinal and Aromatic Plant Association of Manitoba; The Groat, in conjunction with the Manitoba Buckwheat Growers Association; the Manitoba Corn Growers Association newsletter and the Manitoba Corn Hybrid Performance Trials. Articles written by staff also appeared in the Manitoba Forage Seed News.

For the 2004 growing season, corn agronomy information was distributed to producers and 14 weekly Vegetable reports were issued which offers growers timely information on insects, diseases and general agronomy. The information was distributed to agricultural representatives, members of the Manitoba Vegetable Growers Association and was posted on the MAFRI website.

In addition to disease forecasts, the Potato Hotline provided information on disease and insect pest occurrence, soil moisture conditions and irrigation scheduling. Potato information on the website was reorganized under www.mbpotatonews.ca

Staff evaluated innovations in pest management, irrigation, product quality and new crop development. Saskatoons, sea buckthorn, hemp, corn, buckwheat, medicinal and aromatic plants, spices, essential oils and oriental vegetables remain among the new and expanding crops under development. Demonstration orchards and strawberry trials continued in conjunction with the Agriculture and Agri-Food Research Station in Morden. Staff collaborated with the Manitoba Corn Growers Association on research trials investigating fertility, plant population, and pest resistance. Vegetable production assistance focused on pest mitigation. Staff also worked on drafting new regulations for bacterial ring rot of potato.

As part of a joint effort to introduce saskatoons to European markets, a saskatoon industry international trade mission was organized in 2004. Over 200 delegates including food industry representatives, government officials, growers and media attended the event.

Staff provided agronomic information on hemp through research trails, extension work, and direct contact with growers via summer tours.

Pest mitigation efforts continued focusing on diseases and insects in potatoes; European corn borer monitoring; and disease/insect scouting in vegetable crops. A new understanding was gained of disease transmission to carrots through collaborative work with the University of Manitoba in 2004.

Staff assisted the North American Buckwheat Promotional Committee. The committee aims to increase consumer awareness of buckwheat's nutritional advantages through a strategy that provides information to nutrition professionals.

Crop Development

Staff, along with the Manitoba Crop Variety Evaluation Team (MCVET), coordinated the 2004/2005 crop variety evaluation program. This program consisted of 28 test sites (five funded and conducted by MCVET, eight partially funded by grower groups and 16 conducted by private companies). Most test sites contained between 35 and 145 entries of cereals, oilseeds, pulses, and special crops. Site contractors include AgQuest Inc, AgriProgress Inc, ICMS Inc, Murphy *et al* and Agriculture and Agri-Food Canada.

Section staff, in cooperation with regional staff and the Manitoba Forage Council, ran the 2004/2005 Forage Variety evaluation program at three test sites.

Staff were involved in the publication of *Seed Manitoba* in cooperation with the Manitoba Seed Growers Association and the Farmers' Independent Weekly. Staff prepared/revised and distributed many publications through print and electronic media. These include the *Guide to Crop Protection*, *Manitoba Crop Report* (weekly), *Insect and Disease Report* (bimonthly), *Individual Commodity Reports* (bimonthly) and numerous other timely technical publications through e-bulletins, newspaper/magazine articles and fact sheets on a range of crop production issues.

Staff conducted 140 technical presentations before 6,000 growers and 1,500 industry agronomists on cereal, oilseed, pulse, forage, seed and alternative crops. In addition, staff provided agronomic recommendations to 5,000 telephone and email inquiries from producers, Agricultural Representatives, and industry agronomists. Section staff were cited in numerous radio, television, and print items as a result of interviews on a wide range of crop production/marketing topics.

Section staff organized, facilitated and, in many cases, led specialized agronomy training in major events like Manitoba Agronomists Conference, Ag Days technical programs, and training/updates to Regional staff. Staff developed and delivered modules in the Crop Diagnostic School in cooperation with the University of Manitoba. This two-week summer program was delivered to over 600 industry agronomists, farmers and department staff. Individual commodity workshops (winter wheat, edible bean, soybean, sunflower, and corn) where held during the summer. Staff continue to support the delivery of the Certified Crop Advisor (CCA) program in Western Canada.

Staff worked with Agriculture and Agri-Food Canada, University, and Private researchers on several different projects. Staff were involved in projects ranging from the verification of weather-based models to predict Fusarium Head Blight, to evaluating new midge monitoring lures in wheat, to participating in Graduate Student research projects and committees.

Staff led province-wide surveys of insect and disease pests, with the assistance of industry and Agricultural Representatives, and provided risk forecasts for the industry. Prairie wide insect surveys were conducted in cooperation with other Provincial departments of agriculture.

Staff coordinated emergency registration of Folicur fungicide for Fusarium Head Blight in wheat and Matador insecticide for Soybean aphid in soybeans with other departments of agriculture.

Section staff provide support to numerous agricultural organizations including: National Sunflower Association, Manitoba Canola Growers, Manitoba Corn Growers' Association, Manitoba Pulse Growers' Association, Manitoba Seed Growers' Association, Organic Producers Association of Manitoba, Manitoba

Forage Council, Canadian Seed Growers' Association, Canola Council of Canada, Flax council of Canada, and the Manitoba-North Dakota Zero Till Association.

Staff also provided department input into the Agricultural Policy Framework (Science and Innovation, Environment Chapter), Canadian Agri-Food Research Council, Manitoba Soil Fertility Advisory Committee, and Pulse Canada Research. Section staff completed many technical reviews of ARDI applications. Support was provided to the Marketing and Farm Business Management Branch in the area of pulse and hay market development.

The record cold and wet summer of 2004 required the assistance of section staff for providing agronomic information for Manitoba Crop Insurance Corporation (MCIC) and farmers.

Soils and Crops Programs

The Soils and Crops Programs Section addresses agri-food issues in biotechnology, nutraceuticals, and functional foods, and administers the CNG program.

Staff actively supported the network of expertise in nutraceuticals and functional foods, including the National Centre for Agri-Food Research in Medicine. Agronomic production practices, the identification and preservation of active ingredients, and the clinical trials to support the effective use of nutraceuticals are all key elements in further seizing opportunities involving nutraceuticals and functional foods.

Sustainable Development

In 2004/2005, the Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development:

Integration of Environment and Economic Decisions (Principle #1)

- Staff provided extension and technical support to Crop Nutrient Management. Technical information was provided to support effective and efficient nutrient management practices to ensure efficient crop production with minimal environmental risk.

Stewardship (Principle #2)

- Staff administrated and supported the Pesticides and Fertilizer Control Act. The licensing of commercial pesticide dealers and applicators ensures environmental and human protection related to pesticide use.

- Staff supported the administration of the Crop Residue Burning Authorization Program (Environment Act) which minimized the risk to human health and safety from smoke resulting in crop residue burning.

Shared Responsibility and Understanding (Principle #3)

- Staff supported the administration of the Livestock Manure and Mortalities Management Regulation (Environment Act), by providing technical advice to Manitoba Conservation and extensive information to livestock producers related to the sustainable use of manure in crop production.

- Staff administrated and supported the Bee Act, which provided disease identification and control advice to beekeepers to ensure safe honey production and the sustainability of the beekeeping industry.

- Staff supported the administration of the Planning Act (Intergovernmental Affairs) by providing advice to municipalities to ensure the protection of a land base for long term sustainable agriculture.

- Staff provided extension and technical support in disease identification and control in plants. Extensive support was provided for the identification and judicious control practices for diseases and pests affecting agricultural crops and bees.

- Staff provided extension and technical support to land and water management. Information was provided to support the protection of soil productivity as well as surface and ground water quality.

- Staff provided extension and technical support to research and innovation. Technical support and participation was provided to enhance sustainable and new crop development activities.

- Staff provided extension and technical support to organic production. Staff provided leadership related to organic crop production in Manitoba.

Prevention (Principle #4)

- Staff administrated and supported the Noxious Weed Act, which provided technical and regulatory support to municipalities related to the appropriate control of invasive plant species.

Conservation and Enhancement (Principle #5)

- Staff provided extension and technical support to the Soils Inventory Program. Basic information was provided on Manitoba's soil resources, and interpretive criteria were developed to ensure long term sustainable use of these resources.

- Staff provided extension and technical support to the Agrometeorological Support Program. Weather based information was integrated with agricultural concerns to provide accurate disease forecasting and support for other agronomic practices to ensure efficient and sustainable crop production.

- The branch was responsible for administering a fund under the Livestock Stewardship Initiative (LSI) which supported investigation and technology transfer related to sustainable manure management practices.

Global Responsibility (Principle #7)

- Staff provided extension and technical support to integrated decision making and planning. Branch staff represented Manitoba's commitment to sustainable agriculture through participation on a number of intergovernmental and industry/governmental committees and policy making groups such as: F/P/T Committee on Pesticides and Pest Management, Canada Agriculture Research Coordinating Committee and associated sub-committees, Western Canadian Coordinating Committee on Environmentally Sustainable Agriculture, University of Manitoba Departmental Consultation Committees, Western Committee on Crop Pests and Diseases, and Soil Conservation of Canada.

4 (d) Soils and Crops

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	2,947.2	53.12	3,108.8	(161.6)	
(2) Other Expenditures	931.6		1,004.4	(72.8)	
TOTAL EXPENDITURES	3,878.8	53.12	4,113.2	(234.4)	

Appropriation 4 (e) - Irrigation Development

In September, 2002, a $1.0725 million provincial Irrigation Development Program (IDP) was announced. The IDP was modelled after the previous SWII program, with programming being offered in five areas: off-farm irrigation infrastructure development, including area and block development and management; investigation, demonstration, and technology transfer; environmental protection; and public awareness, education, and communication. Staff resources from the Soils and Crops Branch were assigned to deliver the program. In 2004/2005 the budget was reduced to $922, 500 as part of the Budget Reduction Process.

All infrastructure projects must receive appropriate Environment Act Licensing and meet federal requirements including those from the Department of Fisheries and Oceans. Funding is also provided to support investigation, demonstration, and technology transfer of sustainable water management practices, as well as environmental monitoring activities.

An Irrigation Coordinating Committee was established with representation from MAFRI and Prairie Farm Rehabilitation Agency (PFRA), which coordinates activities and funding support to infrastructure projects.

Planning and obtaining regulatory approval continued on 20 projects. Nine projects were supported in 2004/2005 that developed approximately 2,870 annually irrigated acres.

4 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Other Expenditures	621.9		922.5	(300.6)	1
TOTAL EXPENDITURES	621.9		922.5	(300.6)	

1. *The variance under authority is mainly due to an in-year expenditure management reduction consistent with the government – wide fiscal restraints.*

Appropriation 4 (f) – Food Development Centre

The Food Development Centre (FDC) provides leadership in the creation, expansion, and diversification of the agri-food industry through industry networks and expertise in food processing. As part of the Growing Opportunities Initiative, FDC is committed to the mandate of Manitoba Agriculture, Food and Rural Initiatives (MAFRI) to advance greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

During 2004/2005, FDC continued to implement its strategic plan that will reposition FDC as a leader in the creation, expansion, and diversification of Manitoba's agri-food industry. An investment of $13.61 million will result in the refurbishment of its facility to meet Canadian Food Inspection Agency standards, the purchase of leading edge technology, and the partnering with Great Plains Aseptic Processors to bring a unique liquid food research and development, and commercial packaging facility to Manitoba.

In conjunction with its strategic partners, FDC facilitated the development of 35 new products, and assisted in the creation of 12 new employment opportunities and 82 additional man years of employment that are expected to contribute $2,940,984 in GDP and $885,879 in provincial taxes.

FDC is a Special Operating Agency and the 2004/2005 activities, financial data, and performance measurements are detailed in FDC's Annual Report.

FDC fully supports and participates in MAFRI's Sustainable Development initiative under the *Sustainable Development Act*. FDC's accomplishments and activities are included in the Manitoba Agriculture, Food and Rural Initiatives' Sustainable Development Procurement Plan and Procurement Report that are submitted by the Department to Procurement Council each fiscal year. FDC also participates in the Agricultural Policy Framework.

4 (f) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	4,513.7		2,113.8	2,399.9	1
TOTAL EXPENDITURES	4,513.7		2,113.8	2,399.9	

1. *The variance over authority is the result of:*

   a) an increase of $2,624.9 due to a change in accounting policy for the treatment of loans that are repaid through future government appropriations. This now requires that the loan receivable from Food Development Centre be recorded as a grant expenditure in the 2004/05 fiscal year and

   b) a decrease of ($225.0) resulting from the deferral of interest and amortization charges due to timing of capital purchases.

Appropriation 5
Regional Agricultural Services

The Regional Agriculture Services Division provides the front-line delivery of Manitoba Agriculture, Food and Rural Initiatives' programs and services through innovative agrifood extension programs. The division and the department are dedicated to:

- Empowering farm families and rural people to realize their goals;
- Developing and delivering innovative agri-food extension programs and services;
- Managing and enhancing agricultural resources for sustainable, dynamic rural communities.

There are four regional offices and 40 district offices served by a staff of agricultural representatives, home economists, crop and livestock specialists, land stewardship specialists, soil and water management specialists and farm management specialists. They provide programs and services aimed at enabling farm families to operate viable farm businesses and employ best management practices.

Staff coordinate strategic partners (such as producers, consumers, government, financial and scientific communities, processors and marketers) in order to develop and expand value-added activity and diversification in Manitoba. Moreover, staff assist producers and processors to increase sales of primary and processed products to domestic and international markets.

The regions assist in the development of rural leadership by providing support to the 4-H program and other rural organizations. Staff organize 4-H workshops for club officers, public speaking training, competitions, rallies, member exchange programs and livestock shows. In addition, staff work with industry organizations and community groups to build sustainable, dynamic rural organizations within communities.

Staff work towards improving the well-being of the farm family. Staff activities involve promotion of food safety and quality, business development, farm safety and family resource management.

The regions are also involved in extension education and training, making use of producer newsletters, local news columns, local broadcast media and the internet to reach farm families. All of these activities follow department strategies for farm profitability, sustainability, food safety and quality, diversification and adding value, market development and agricultural awareness.

The division is also responsible for effectively administering the leasing of Crown land designated for agricultural production and improving the productivity of this land through improved management techniques.

Appropriation 5 (a) - Northwest Region

Farm Management

- Staff made 4,253 general contacts and 793 intensive contacts on farm management subjects during the 2004/2005 fiscal year. Intensive contacts involved management counseling with 151 farm families.
- Thirty-seven management seminars were held, in which 678 producers examined financial and price risk management strategies with special emphasis on beef cattle.
- Farm management specialists coordinated and delivered courses and training events for 56 participants of the Bridging Generations Initiatives. Staff assisted pregnant mare urine (PMU) producers and others in examining alternate farm enterprises.
- Staff provided business consultation, financial analysis, and planning support to a host of diversification and value-added community and producer initiatives.

Agri-Ventures

- Value-added and diversification initiatives were part of 23 events involving approximately 541 clients. Events included seminars, conferences, trade shows, and tours where participants explored new technology and new market opportunities. There were five special projects which involved funding-in-progress with the Manitoba Agri-Ventures Initiatives program.
- Staff facilitated group processes and business planning directed towards the development of berry and meat processing, new livestock, crop and forage production and processing, agri-tourism, and community development.

Crop Production Enhancement

- Crop production assistance was provided through 10,460 general contacts and 2236 intensive contacts. The Parkland Crop Diversification Foundation is an effective tool in evaluating and demonstrating new crops, diversification options, and production.
- Approximately 4350 acres of industrial hemp was grown in Manitoba, with most grown in the Northwest Region.
- The Parkland Industrial Hemp Growers Co-op Limited spearheaded the establishment of a Manitoba hemp plant-breeding program with one new variety registered in 2003 to support the industry.
- Forage production and management assistance was provided through 2817 general and 862 intensive contacts.
- Forage production, management, and Management Intensive Grazing programs (MIG) are top priorities within the region.
- Eight grazing clubs were formed throughout the region through the assistance of a grazing club coordinator hired through the Manitoba Forage Council. Each of these grazing clubs held two winter meetings and a field tour.
- The timothy hay industry continues to expand acreage in the region due to the location of the compacting plant in Russell and a new plant of similar capacity in Dauphin. The plants currently have expectations to process about 25,000 tonnes per year. Dauphin is currently running at one- third capacity.
- Technology transfer continued through extension efforts in field days, tours, seminars, news articles and newsletters, clubs, and individual contacts.

Livestock Production Enhancement

- Livestock technology information was provided to farm clients through 7283 general and 1547 intensive contacts.
- Staff worked with two feeder associations, 4-H groups, community groups, agricultural societies, and seven local veterinary service boards.
- Staff organized a number of producer sessions where presentations were given on pasture, forage, livestock, water, and manure management.
- Staff formulated 993 rations for regional beef, swine, dairy, sheep, goat, and bison producers.

- Numerous nitrate tests were completed during the year.
- Staff represented the department at two Riding Mountain Biosphere meetings, two Riding Mountain Regional Liaison Committee meetings, and three Riding Mountain National Park Stakeholders' advisory meetings dealing with the TB outbreak and its impact on cattle producers.
- Staff assisted Manitoba Conservation with producer contacts and the signing of barrier fencing sites in the TB management zone.
- The bovine spongiform encephalopathy (BSE) outbreak resulted in staff dealing with thousands of producer inquiries regarding various BSE issues such as cattle marketing, U.S. border opening, and a series of support programs for cattle, bison, elk, sheep, and goats.
- Staff assisted Manitoba Crop Insurance Corporation in verification and auditing of feeder calf and fed cattle set-aside programs.
- Staff verified a total of 155 feeder cattle and seven fed cattle applications.
- Five BSE set-aside informational seminars were held.
- Almost 300 producers attended a series of Buy, Sell or Keep Your Fall Calf Crop seminars held throughout the region.
- Cowbyte updates for staff, as well as training sessions for producers, were held in four locations.
- The Northwest Livestock Foundation was formed to carry out on-farm demonstrations throughout the region.
- Hog numbers remained basically the same and producers have received good returns this past year as a result of higher market prices and lower feed costs.
- Livestock regulation meetings were held in Ste. Rose, Minitonas, Grandview, and Russell, with 73 beef producers and RM councilors in attendance.
- The Northwest Livestock Foundation was also formed this year. It is a non-profit, non-share corporation, organized to develop and demonstrate advanced technologies, diversification opportunities, and soil and water conservation methods that result in economically sustainable livestock and forage management.
- The Northwest Livestock Foundation is based out of Roblin and is comprised of a board of directors across the North Parkland and Swan River Valley extending up to The Pas.

4-H and Youth

- The Northwest Region had a 4-H membership of 686 members taking 818 projects with 329 leaders in 2004/2005.
- The most popular projects continued to be equine, beef and crafts.
- There were 9,144 general contacts and 1,612 intensive contacts made to support the 4-H program in the Northwest Region.
- Staff worked with volunteers from the regional council, five district councils, and 35 clubs to organize events to support leaders, maintain member interest, and promote the 4-H program in the community. These events included leader/senior member appreciation evenings, officer workshops, bonspiels, inter-club beef shows, equine clinics and shows, communication competitions and achievements, as well as training events for leaders and members.
- Hogwarts, a regional event for junior members was held in three locations as well as district events for intermediate age members.
- Five leaders were sponsored to attend the provincial leaders' conference in Brandon.
- Staff supported provincial activities by serving on planning committees and acting as chaperones.
- The regional specialist is responsible for the provincial equine program and its activities including the Young Horse Development project in co-operation with Manitoba Equine Ranching Association and North American Equine Ranching Information Council.

Soil and Water Conservation

- Staff worked with six soil management groups and six water conservation districts involving 3,072 general contacts and 255 intensive consultations.
- The majority of work related to pasture production, water quality issues, and feed quality testing.
- Crop projects included demonstrations for new crops as well as numerous crop and pest management field days.

- Riparian management is a major environmental issue for the beef industry in the region. The Regional Soil and Water Management Specialist served as the provincial chair to a riparian extension program; Managing the Water's Edge. Along with the forage specialist, presentations were made on riparian pasture management.
- The Parkland Crop Diversification Foundation carried out the majority of crop diversification projects across the Northwest Region.
- Staff are involved in activities focusing on water quality in the region, including four watershed studies and various demonstrations.
- The Swan Lake Basin, Shell River, Valley River and Vermillion River are the four watersheds and the process is at a different stage in each one:
  - The Swan Lake Basin Stakeholders Board has given approval to a management plan for the basin and is now working toward implementation.
  - The Shell River Watershed Quality Board is working with the Roblin Soil Conservation Corporation to initiate projects related to livestock.
  - The Valley River Watershed Board is working on general awareness.
  - The Vermillion study is being initiated.
- A series of Environmental Farm Plan workshops were held throughout the region with 97 participants. Participating producers are at varying stages of their Environmental Farm Plans. There is a potential to access $2,910,000 for the region.

Home Economics

- In response to changes and challenges facing the agricultural community, home economists focused on food safety and quality with an emphasis on the promotion of agriculture and the food industry.
- There was emphasis on stress management and forming strategic partnerships with community leaders and health professionals.
- Four workshops were held in the region on *Direct Marketing of Meats* with over 40 in attendance.
- The Direct Farm Marketing Conference attracted an increased number of producers from the region and partnering associations.
- Farm Safety Day Camps were held in Ste. Rose and Roblin.
- ABC Farm Safety presentations were delivered throughout the region with over 200 attending.
- Home Economists partnered with various economic development groups including the Parkland Practitioners, the Swan Valley Enterprise Centre, Parkland Community Futures, and Pelly Trail Economic Development to support diversification and value-added activities.
- Facilitating the farm transfer and working with beginning farmers was a focus at various events.
- *Farming to Win* sessions with Gary Gregor were successfully held in Swan River, Russell, and The Pas.
- *Planning for Renewal* and *Cultivating Communications* events, with Elaine Froese, were held in the Russell area due to many high stress situations.
- Developing leadership capacity by resource development and training was a priority.
- In cooperation with health professionals and community leaders, a *Women's Wellness* conference was held in Swan River with over 165 attending.
- Monthly *Lunch and Learn* and a *Financial Series* were held in Russell. A *Manitoba Foods Everyday* event was held in Binscarth.
- Farmers Markets are a great way to test new products. Markets are held in The Pas, Dauphin and Swan River.
- In cooperation with the Swan Valley Agricultural Society, *Down on the Farm* was a successful agricultural awareness event at the Northwest Roundup and Exhibition.
- Support to the 4-H program was provided with 1602 general and 241 intensive contacts.
- In total, there were 5205 general contacts and 1244 in-depth home economics contacts in the region.

Agricultural Crown Lands

- Four land representatives located in Ste. Rose, Dauphin and Swan River monitored and managed 918,327 acres of agricultural Crown land, representing 898 forage leaseholders.

- In addition, 15 cropping leases, 15 casual hay/grazing permits, and 83 renewable hay/grazing permits were issued.
- Representatives promoted the productivity and sustainable use of agricultural Crown lands.
- Staff were involved in projects with lessees to demonstrate the integration of range management principles into ranching practices, including the Garland and Benchmarking projects.
- The Garland Project is a long-term, multi-partnered research project designed to evaluate resource interaction/compatibility (hardwood timber-harvesting versus grazing) and demonstrate multi-resource sustainability.
- The Benchmarking Project is also a long-term project designed to collect yield data on various vegetation and soil types on native ranges.

Sustainable Development

Shared Responsibility and Understanding (Principle #3)

- There were five Project 2000 groups in the region and 14 individuals were involved with farm transfer planning sessions.
- Bridging Generations Initiative involved 29 clients associated with 37 Bridging loans.
- Nine loans were rebated for Year I Management Training Credits. Staff continued to support farm families by facilitating farm succession planning.

Rehabilitation and Reclamation (Principle #6)

- 18 4-H clubs participated in highway clean-up activities throughout the region.

5 (a) Northwest Region

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	2,475.9	43.79	2,434.5	41.4	
(2) Other Expenditures	834.3		800.5	33.8	
TOTAL EXPENDITURES	3,310.2	43.79	3,235.0	75.2	

Appropriation 5 (b) - Southwest Region

Farm Management

- Financial counselling was the major emphasis of farm management services. Client service requests focussed on farm business planning, farm debt restructuring, mediation services, farm transfer enquiries, production cost analyses, budgeting, record keeping questions, custom rates, business agreements, credit reviews, and business financial analyses.
- The Bridging Generations Initiative (BGI) was a major program activity. A series of seminars were held in Pipestone for BGI clients representing 10 farms. They received 25 hours of training in financial management. Producers attending the seminars were all young farmers under 30 years of age.
- Group and individual counselling continued in the area of marketing, including involvement with three grain marketing clubs and four beef marketing clubs. The bovine spongiform encephalopathy (BSE) crisis has increased the number of client requests for livestock marketing information and beef cattle cost of production information.
- Staff in the farm management area devoted their time to the changes resulting from the introduction of the Agriculture Policy Framework (APF) programs, particularly the new Business Risk Management program. There were numerous enquiries from producers regarding the Canadian Agricultural Income Stabilization Program (CAISP) as well as the changes to Crop Insurance.
- Value-added and diversification enquiries continued to increase as producers tried to adapt to the new market realities of closed borders due to BSE, continuing export challenges in the hog industry, and the overall upward trend in the cost of producing commodities for the export market. Grass fed livestock, woodlots, herbs and spices, pastured poultry, agri-tourism, organic production, direct marketing, and fruit and vegetable production were some of the areas of enquiry.
- In 2004-2005, staff made 6,220 individual general contacts and 1,835 individual in-depth consultations.

Crop Production Enhancement

- The 2004-2005 crop year was interrupted by snow in the Southwest Region. Approximately four to twelve inches of snowfall early on, delayed seeding by about 2 weeks and led to MCIC having to extend seeding deadlines for producers to complete seeding.
- A frost in mid-August hurt a lot of the crop north of the Trans Canada highway, however, in the rest of the region, crops emergence and development was undamaged.
- In early September, a severe frost damaged most crops in the southwest. Many acres were left unharvested and needed to be destroyed next spring. Crops that were harvested, were of poor quality and in many cases, required some sort of drying.
- Staff were involved in field calls and consultations concerning the frost. Issues regarding harvesting and crop salvaging.
- Staff was involved with the weekly crop reporting. This information was used to generate forecasting maps regarding insect numbers and disease potential.
- Expanding acres of pulse crops in edible beans and soybean, and sunflowers created new extension opportunities for staff. Staff was involved with demonstration work through Westman Agricultural Diversification Organization (WADO) and field scouting to support producers and industry staff.
- WADO completed its third year of operation and was involved in several diversification and value-added projects in the Southwest Region such as soybean production under irrigation, grazing of alfalfa and increasing gains without losses to bloat.
- Diagnostic schools were also held to demonstrate the effects of various factors on crop production.
- Changes in the farming industry, such as continued loss of PMU producers, potato contracts and BSE, increased interest in forage seed, commercial hay, and forage production for livestock systems as producers looked for ways to optimize forage production and decrease production costs.
- Forage extension focussed on the production and marketing of high quality hay products and pasture production systems. Activities included species selection, forage establishment, fertilizer management, hay quality assessment, export marketing, high tensile fencing, pasture management systems and design, extending the grazing season, and stockpile forage quality assessments.

- Information was distributed through demonstration sites, workshops, seminars, fact sheets, and the Pasture School.
- Staff was involved with the Forage Symposium which was attended by 220 producers.
- Staff made 22,704 general contacts and 1,325 in-depth consultations.

Livestock Production and Development

- Staff worked with producers to develop rations and advise on utilizing alternate opportunity feed.
- Staff continued to work with producers on genetic education programs, primarily through bull test stations.
- Producers received advice on herd health and management programs, and facility design for existing and new operations.
- Staff worked with producers in backgrounding and feedlot industries, the development of site design, feeding management plans, budgets, and market potential.
- Staff promoted beef quality assurance through individual contacts and the mass media.
- Cattle nutrition and least cost ration meetings coupled with an economic analysis of cattle markets were held.
- Wet conditions in the summer of 2004 and an early frost had many producers struggling to put up good quality feed. Early frosts created concerns on nitrate levels in feeds which were tested at district offices. Toxic mold analysis and diagnosis was also a substantial issue.
- Sessions on the relevance of BSE, the importance of biosecurity, animal handling and well being were held.
- Staff were also involved in the administration of fed cattle and feeder calf set aside programs.
- Technical reviews were conducted for five swine projects of which three were approved by the respective municipal councils. The one project that was constructed added 2500 farrow to nursery and 210 grower finisher spaces. Two that were approved have not been constructed. Staff participated in five conditional use hearings in the Region.
- Staff made 13,038 general contacts and 2,123 in-depth contacts.

4-H and Youth

- In 2004/2005, the Southwest Region's 4-H membership included 1348 members and 537 4-H leaders participating in 74 clubs.
- Initiatives in the Region's 4-H program continued in the areas of enhancing rural leadership; providing training and opportunities in communication; leadership and meeting management; agriculture awareness; and promoting the 4-H program.
- A Regional Communications event had 76 young people making presentations.
- Other regional 4-H events included "Stick with 4-H - Duct Tape Style" intermediate member program, the ever-popular Pik-a-Day attracted 46 members; a first time opportunity to experience camp for 20 members; and 20 members participated in livestock judging.
- A 4-H Regional Scholarship was awarded.
- A popular program aiming to build relations amongst Southwest 4-H members at an early age attracted 220 eight to 11-year-old members.
- The Southwest Quality Builder team boasting 12 adult members initiated several programs including a Communications, Meeting Management, Projects and Leadership event with 50 leaders and parents.
- The Southwest senior members were welcomed at the Central Region Conference.
- Eight members applied for 4-H travel opportunities by completing a 4-H Career Portfolio and an interview.
- The Southwest Regional Council continued to address their Member Retention Strategy. The goal was to retain 50 percent of members from the ages of nine to 17 by the 2006/2007 4-H year. The priority areas are enhancing project experiences and increasing program flexibility.
- A regional Teen Adventure Pack program continued. Members participated in a regional based project on Program Planning, enabling teens from small clubs to do project work with other teens.
- A club contest featuring innovative, flexible, and fun programs was adopted by 4-H clubs has been well received.

- The 4-H program's support of Ag Awareness initiatives continues by partnering with Agriculture in the Classroom - Manitoba, Western Region Initiatives and Provincial Exhibition Agriculture Education Committee. The council maintains the position of Agriculture Awareness Representative to serve on these committees.
- The Region supports Ag in the Classroom's "Amazing Agriculture Adventure" program in the Westman region, Ag Day school tours and the "Biodiversity" resource development.
- The Region continues to embrace the Quality equation principles with an active Quality Equation resource library. The Quality Equation driven Livestock Education System continues to be employed by one beef club with promotions to others.
- The Southwest Light Horse and Pony Association coordinated the Regional 4-H Horse Show with over 20 riders.
- Many events such as rallies, fun days, inter-club shows, and appropriate training sessions for members and leaders were held across the region.
- Staff made 13,000 general contacts and 2,000 in-depth consultations.

Soil and Water Conservation

- Ten local delivery groups received funding for 14 projects (including one direct delivery project) were delivered through the Covering New Ground Program. Projects are categorized into three broad areas: forage and livestock production, crop production and integrated pest management.
- A quarterly newsletter "Ag Challenges" with a 10,000 copy circulation was distributed.
- One project used remote sensing software to successfully detect patches of leafy spurge. Another project demonstrated the use of a winter watering system.
- The grazing club project assisted with expanding the number of clubs from 5 in 2001 to 29 clubs in 2005 with over 700 members.
- In the forage testing/ration balancing project, 304 farm units made use of the program where a total of 895 different samples were analyzed. Over the past six years, this program has worked with a total of 1242 livestock producers who analyzed feed samples and sought out advice from MAFRI staff.
- The extension program delivery project hosted 45 meetings which were collectively attended by 900 producers. Topics ranged from utilizing your feed resources in an economically and environmentally sustainable way to pasture management. Other topics included manure management, climate, using your people resources, small water storage on farms, utilizing legumes in pastures and preserving your water source.
- Staff was involved in many activities which focussed on water quality in the region, including groups working with the Assiniboine Delta Aquifer, Oak Lake Aquifer, Killarney Lake, and Shoal Lake. The Assiniboine Delta Aquifer Management Advisory Board finalized a management plan in March 2004.
- Support was provided to the development of APF activities under the Environment Chapter.
- Staff provided guidance to the Assiniboine Community College Land and Water Management Advisory Committee. The Land and Water Management program was initiated in September, 2003.
- Field days were held with an attendance of over 100.
- Covering New Ground project information was communicated through releases with a circulation of 56,180.
- Twelve news articles, newsletters with a circulation of 71,700 and 51 extension meetings were held with a combined audience of 2,315.
- Fifteen soil/conservation groups are active with a combined total of 300 members. A total of 60 meetings were held.
- In 2004-2005, staff made 5,312 individual general contacts and 2,448 individual in-depth consultations.

Home Economics

- Home Economics services were provided to farm and rural families with a focus on leadership, marketing, risk communication and food safety.

- Continued support was given by the Rural Community Support Team. Two workshops with a resiliency theme took place. The farm community was also reached through individual contacts, newsletters, and news columns.
- Leadership skills of farm women were enhanced through support to the Southwest Farm Women's Network (SWFWN) who coordinated programming for rural women at Ag Days and the Manitoba Farm Women's Conference (MFWC). Facilitation for the development of the WI strategic plan was undertaken.
- Leadership skills were also the focus of presentations to BGI clients, to the Western Fairs Conference in Saskatoon, MFWC, Provincial 4-H Leader's conference, the Cattle Production for Women workshop, to the Women's Institute (WI), Lunch and Learn sessions, local community groups and 4-H members.
- A Value Chain Tour took place with 19 participants with stops at the Food Development Centre, Richardson Centre for Functional Foods & Nutraceuticals, St. Boniface Centre for AgriFood Research in Medicine and the Forks Market.
- Staff continued to work in the diversification and value-added area through support of the Agri-tourism Associations, the SWFWN and individuals. Ninety-five people participated in tours involving rural businesses in the Alexander, Souris and Hartney area.
- The Farm Focus event in Boissevain attracted 400 people and delivered presentations and trade shows to highlight agriculture and the many issues and opportunities in the industry.
- Food safety presentations were given on "Food Safety at the Fair, Fad Diets and How They Effect Agriculture" and "How do We Know that our Food is Safe?".
- The three Home Economics staff were involved in 250 group meetings involving 8,310 participants. There were 148 news columns, 6 newsletters, and 25 displays generated. Individual assistance included 3,210 general and 815 in-depth consultations.

Sustainable Development

In 2004/2005, staff participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

Integration of Environment and Economic Decisions (Principle #1)

- Sustainable development in crop production involved one-on-one consultations and group meetings featuring topics such as seeding rates, weed control, disease management, new crop opportunities, and marketing. Staff were involved in several summer field diagnostics schools.
- Staff provided extension and technical support to crop nutrient management. Technical information was provided to support effective and efficient nutrient management practices to ensure efficient crop production with minimal environmental risk.
- A number of projects examined forage production within the region. One project examined 895 forage and feed grain samples from 304 farm units. Over the past six years a total of 1242 livestock producers have had their feed samples analyzed and sought out advice from staff. Follow-up with producers enabled a balanced ration to be formulated suited to their needs.

Stewardship (Principle #2)

- Technical expertise was provided to the grassroots Prairie Stewardship Program in the Carberry area. This program provides grassland owners with information about the ecology and management of native prairie, leafy spurge control, and aspen control with the primary focus on livestock producers that use the land for pasture.
- One Covering New Ground project assisted producers with livestock watering system development through the community grazing club concept. The grazing club project assisted with expanding the number of clubs from 5 in 2001 to 29 clubs in 2005 with over 700 members. Another project demonstrated the use of a winter watering system.
- One project used remote sensing software to successfully detect patches of leafy spurge.

Shared Responsibility and Understanding (Principle #3)

- Throughout the livestock program, emphasis was placed on the environmental sustainability issues relating to good riparian and pasture management and in particular, confined livestock feeding. The extension program hosted 45 meetings attended by 900 producers. Topics ranged from utilizing your feed resources in an economically and environmentally sustainable way to pasture management. Other topics included manure management, climate, using your people resources, small water storage on farms, utilizing legumes in pastures and preserving your water source.
- The Southwest Region was involved in activities that focussed on water quality. Two projects were conducted with local delivery groups using grazing clubs and remote livestock watering systems.
- Staff worked co-operatively with the Riparian Health Council as participants on the Southwest regional working group. This working group brings the Manitoba Cattle Producers Association, conservation agencies, and others together to tackle issues related to the impact of the beef industry on water quality. This group will assist the region in the adoption of environmental practices by the beef industry.
- Staff was responsible for the planning and delivery of field programs, which included agricultural sustainability projects, and for providing training and technical information to producers. Field programming involved activities related to manure management and soil and land management, including reduced tillage.
- In the Southwest Region, ten local delivery groups received funding. These projects can be categorized into five broad areas including: forage production, crop production, integrated pest management, water quality, and communication activities.
- Stakeholders were consulted in the development of management plans for large unconfined aquifers such as the Oak Lake Aquifer and the Assiniboine Delta Aquifer.
- Home Economists continued to partner with the Network of Community Enterprise Development Centres and the Learning for Life committees to sponsor Lunch and Learn events in several communities.
- Home Economists also worked with community groups to build leadership and community capacity. Activities included program planning, strategic planning, mentoring, risk communication and meeting management.
- Some of the groups included the Community Development Corporations, Community Enterprise Centres, Healthy Communities Committees, Southwest Regional Round Table, Chambers of Commerce, Women's Institute, Agricultural Societies, Farmer's Markets, schools and the South West Farm Women's Network. Support was given to beef producers as a result of the BSE situation.

Prevention (Principle #4)

- One Covering New Ground project examined various land use practices and the effect on water quality in the surrounding area. Another water project installed winter watering systems away from watercourses to minimize the impact on water quality.

Conservation and Enhancement (Principle #5)

- In the crop production category, work continued in the reclamation of saline areas through different cropping methods. Another project looked at the potential for soybean production in the southwest.
- Work continued on the flea beetle project using different rates of insecticide to confirm required amounts needed for control.
- Staff provided technical support to the Conservation Districts within the region.

Rehabilitation and Reclamation (Principle #6)

- Staff provided expertise and an awareness program regarding the use of sensitive riparian areas in livestock production systems through a number of workshops aimed at staff, Conservation Districts and councillors.
- One Leafy Spurge project established a rotational grazing system for invasive weed control. Another Leafy Spurge project utilized satellite imagery and aerial photographs to detect Leafy Spurge within their study area. A third project facilitated the development of management plans for the control of Leafy Spurge.

- Staff developed several projects to improve native grass, tame grass, and riparian management. The management techniques include fencing riparian areas, developing off-site watering, and rotational grazing systems. These techniques enhanced forage production and demonstrated to producers how riparian health and water quality can be improved through better livestock management.

Global Responsibility (Principle #7)

- Staff worked with the Manitoba-North Dakota Zero Tillage Farmers Association to host an annual two-day workshop. The workshop was held in Brandon and attended by approximately 400 producers. The goal of the Association is to promote zero tillage as a management practice.
- Staff worked collaboratively with the Manitoba Zero Tillage Research Association.

5 (b) Southwest Region

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	2,476.7	45.83	2,557.3	(80.6)	
(2) Other Expenditures	701.4		714.5	(13.1)	
TOTAL EXPENDITURES	3,178.1	45.83	3,271.8	(93.7)	

Appropriation 5 (c) - Central Region

Farm Management

- The Bridging Generations Initiative (BGI) program has 92 active loans in the region. One loan has been paid off (and BGI terminated) with the land being sold.
- One training course was organized by staff in February 2005 featuring MAFRI courses. Sixteen clients participated in the courses and 15 have completed their required credits for the current year.
- Staff continued to work directly with BGI clients to assess their future training needs.
- Staff organized a one day seminar on intergenerational farm transfers as part of the Farm Succession Week. The seminar, held in Carman, highlighted family communication, legal issues, taxation, and financial planning and had 90 producers in attendance.
- Farm management staff provided consultation and information to farmers in the areas of:
  - financial planning
  - credit and debt restructuring
  - risk management
  - cost of production
  - value-added and diversification
  - marketing, business organization
  - taxation
  - family farm transfers
- Staff assisted in organizing Canadian Agricultural Income Support (CAIS) program information meetings. CAIS staff presented a review of the program and recent changes. Ten meetings were held in the region with approximately 400 producers attending the sessions. Staff organized and conducted six workshops to assist CAIS participants complete the supplementary forms for the CAIS program. These sessions were attended by 200 producers.
- There were a total of 6,131 farm management contacts with producers, including 1,376 intensive consultations.
- Staff continued to emphasize farm financial planning and risk management.

Crop Production Enhancement

- Crop production enhancement activity involved 28,548 general and 5,646 in-depth contacts with clients.
- Staff was involved in cropping activities that addressed crop type, crop variety adaptation and new crop development.
- Staff were involved in replicated evaluations addressing crop variety at Treherne and Portage la Prairie, both sites being comprehensive satellite sites for the Manitoba Crop Variety Evaluation Team (MCVET). Agronomic demonstration sites were established at these locations, including cereal and fungicide trials.
- The White Plains Crop Improvement Association was established in the Starbuck area to continue the satellite MCVET site work done at Treherne.
- The Regional Corn Silage Management Demonstration was conducted at nine sites. This demonstration was designed to help growers maximize corn silage production through variety evaluation, feed analysis, and harvest timing effect on yield and quality and evaluation of HT and/or tillage systems.
- A comprehensive grazing and forage site was established at Cartwright. The objective of this site is to demonstrate several different perennial forage grasses and legumes and to show various aspects of grazing management.
- Fifty people attended the Pasture School at Cartwright.
- Several on-farm tests were conducted to determine economic viability of selected crop inputs.
- On-farm tests included fertility management and annual forage comparisons.
- Two cereal silage projects demonstrated traditional and non-traditional cereal and corn varieties suitable for silage production.
- Oats, barley, sorghum, millet, annual rye grass and hybrid corn was grown and feed quality, yield and cost of production were measured.
- A delayed grazing demonstration was also conducted, demonstrating the benefits of rotational grazing: a one day delay in spring resulted in 2-3 days additional grazing in the fall.

- A forage enhancement project demonstrated increased productivity and longevity of alfalfa in mixed stands due to improved nutrient management, with the added benefit of reduced unit cost of production.
- A feed testing project was undertaken to improve feed efficiency and increase profitability of the beef herd by encouraging more efficient utilization of forages and feed grains, and to decrease the amount of excess energy fed to beef cattle.
- Over 410 producers were assisted by testing 1133 feed samples, and formulating 512 rations.
- Each district conducted monitoring programs for early detection of bertha armyworm, diamondback moth and wheat midge. The monitoring program allows for early warning in the event of a pest outbreak. Monitoring of grasshoppers to predict next year's risk of infestation was undertaken.
- There were 91 one-day events which included tours, meetings and seminars addressing crop and livestock production with more than 4,800 clients in attendance. There were also two (two-day) events with more than 320 clients in attendance. Topics included:
  - alternative crop opportunities
  - winter wheat production
  - weed seedling identification
  - disease and insect update/management
  - herbicide resistance update
  - genetically modified varieties
  - fertilizer/manure management
  - canola production
  - Ste. Agathe canola plant
  - fertility on wet soils
  - soybeans
  - market outlooks
  - CAIS update
  - wind power opportunities
  - burning responsibly-crop residue
- Crop production newsletters included SomerMag, Valley Update, and BASA-Crop Input Management Newsletter. These offered timely crop production information to local producers, in addition to monthly newsletters.
- Staff assisted in the coordination and delivery of cropping activities at the Portage la Prairie and Winkler Manitoba Crop Diversification Centres (MCDC). Crop research and demonstrations included: forage establishment and production, nutraceutical and medicinal crops, field beans, soybeans, fungicide trials and annual silage crops. Staff also assisted with soybean variety and maturity evaluation trials in the eastern part of the region.

Livestock Production Enhancement

- Beef clients were provided with technical extension expertise on a wide range of topics including:
  - beef nutrition information
  - feed testing
  - ration building
  - rotational grazing systems
  - forage management
  - extended fall grazing
  - fencing
  - improved water systems and quality
- Economics and farm management topics included beef cow lease agreements, pasture leasing, beef marketing information, feed lot management, and budgeting.
- Producers requested and were provided with information on:
  - bovine spongiform encephalopathy
  - National Identification
  - Quality Starts Here
  - herd health practices
  - safe handling of cattle
  - manure management
  - environment guidelines
  - riparian area management
- Staff supported the 4-H Program through judging and selection workshops, fat stock sales, 4-H beef shows, office administration and records.
- Central Region beef production meetings included:
  - Holland Beef & Forage Day
  - Pilot Mound BASA (Beef) Annual Meeting
  - Gladstone Feeder Calf Outlook Meeting
  - Benchland Annual Meeting
  - Portage Beef Marketing Workshop
  - Austin Beef Producers Meeting
  - Carman Beef Meeting
  - Winkler Beef Meeting

- Baldur Beef/Forage Meeting
- Seven BSE/production/economics fall meetings at Plumas, Alonsa, Cartwright, Manitou, Carman, Holland and High Bluff

- There were two sheep production meetings in the Morden area.
- Staff made 12,390 contacts with beef clients, including 2,752 in-depth consultations.
- Staff had 380 contacts with dairy producers through individual consultations and dairy meetings.
- Technical information and advice was given on many subjects such as:
  - forage quality preservation and harvesting techniques
  - extending forage supplies and pasture grazing
  - addressing animal health and herd bio-security concerns
  - financial management
  - enterprise budgets
  - milk quota issues
- Staff provided support to dairy farmers relating to various BSE programs.
- The Dairy Seminar Day in Carman attracted 165 participants and the Dairy Show in Holland had 120 dairy animals on exhibit. Staff provided assistance to two 4-H dairy clubs.
- There were a total of 1,995 contacts regarding livestock facilities and 150 contacts related to other livestock including bison, elk, ratite, goats, sheep, and rabbits.
- Staff had 207 contacts concerning livestock insects and disease.
- Staff provided swine extension information to farmers, local governments and agri-business with 851 general and 398 in-depth contacts through individual consultations and at group meetings. Regional activities included two manure extension meetings. Other activities included assisting with the organization of the 19th annual *Swine Seminar*.
- Staff also coordinated the Region's Technical Review Committee which reviewed two applications for proposed livestock (hog) operations during 2004/2005:
  - Staff carried out two site inspections for the purpose of evaluating site conditions and the proponent's manure management strategy.
  - Both of the proposals were approved.

4-H and Youth

- In 2004/2005 Central Region had a 4-H membership of 926 members and 395 leaders.
- Staff made 10,398 general and 1,275 in-depth contacts.
- Rural leadership development, communication skills training, meeting management experience, agricultural awareness and technical skill development were all supported by the 10 district councils, 50 clubs and staff.
- Manitoba 4-H's Quality Equation (quality people + quality experiences + quality projects = 4-H Quality Equation) continues to be an underlying premise of all activities planned. Through regional, district and club activities, rural youth are allowed to develop from a healthy blend of competitive and non-competitive experiences.
- The Regional 4-H Council, supported by MAFRI, sponsored and coordinated a variety of opportunities. The annual regional communications event attracted 94 4-H members in 11 categories. Central Region Senior Members' (15-19 year old) Conference attracted 33 participants and the combined Central Region Adventure for Zestful Youth (C.R.A.Z.Y.) and Central Region Educational Weekend (C.R.E.W.) Camps had 63, 11-14 year old 4-H members. Two senior members were selected by way of a Livestock Judging Workshop to join the provincial team of eight members to participate in the International Judging Seminar at Agribition in Regina, November 2004.
- The Regional Equine Association planned a Regional 4-H Horse Show with 24 participants. MAFRI staff worked with 4-H Beef Leaders' Organizations to plan and implement six 4-H Interclub show and sale events.
- District 4-H Councils were involved in a variety of activities that provided educational and other opportunities for members and leaders including meeting management and communications workshops, rallies, and recreational sports days.

- The primary clients of the 4-H Program included 4-H members, parents, and leaders. The program provided clients with an opportunity to improve their leadership, communication, meeting management, and life skills.

Soil and Water Conservation

- In the seventh year of the Covering New Ground program, staff provided assistance to 13 Local Delivery Groups.
- In the area of soil conservation, staff made 7,685 general client contacts and 2,404 in-depth contacts.
- In the area of water management, staff made 3,704 general client contacts and 718 in-depth contacts.
- One of the major CNG projects in the region was the ongoing support to producers demonstrating improved feed efficiency and increased profitability with livestock through a regional forage feed testing and ration balancing project. There were 1133 feed samples tested, 512 rations balanced and 410 clients serviced.
- Another major project was the regional corn silage project, designed to help producers maximize their corn silage production by optimizing input use and harvest timing education.
- There were also two cereal silage demonstrations located in the Morden and Portage MCDC site. The focus of the project was on traditional and non-traditional cereal and corn varieties suitable for silage production as well as looking at extending the grazing season by considering options for producers such as swath grazing, standing corn, fall inter-seeded crops or corn stover. Over 300 clients participated in field tours, soil conservation trials, and sustainable crop rotation plots.
- Regional highlights included:
  - manure analysis coordinated with manure management planning
  - extended/alternative grazing system promotion
  - forage quality assessment
  - surface water quality assessment
  - sealing abandoned wells
  - pasture micronutrient analysis
- A major initiative was the delivery of Environmental Farm Planning (EFP) in Manitoba, an environmental initiative under the Agriculture Policy Framework. An EFP assists producers in identifying environmental assets and risks on their farm, and helps them to develop an action plan to address these risks on their land, based on the producers own timelines and priorities. The region delivered 28 'pilot' EFP workshops which serviced approximately 210 clients (174 farms).

Home Economics

- Home Economists provided service and information to farm and rural families in the areas of business building, community leadership, consumer food safety and quality, and family farm business.
- Within the *Sustainability* route, staff participated in regional beef meetings with presentations on self-care during the stressful BSE situations on farms.
- Leadership skills were taught within the 4-H, agricultural society and Women's Institute (WI) programs.
- Staff were involved in the WI Membership Renewal Committee and also facilitated the strategic planning process undertaken by WI.
- All Home Economists assumed committee chair responsibilities for the Manitoba Farm Women's Conference.
- Home Economists presented on family finance, within the *Farm Profitability* route, at the Cattle Productions Seminar for Women series meetings.
- *Food Safety & Quality* route programs included continued presentations of the Food Safety Connection initiative as well as public displays.
- Programming under the *Diversification and Value-Added* & *Market Development* routes included marketing presentations at both Manitoba Farm Women's Conference and the annual provincial Agricultural Society conference.

- The Business Basics segment of the Junior Achievement program was presented to Grade 5 classroom students in a portion of the region.
- The "Kitchen to Market — How to Create a New Food Product" resource continued to be used by individuals interested in food product development as well as general business development.
- *Agricultural Awareness* route program activities included staffing displays at the Red River Exhibition, Amazing Grains and district fairs.
- Staff made 2787 individual contacts and held 145 group sessions with over 5600 participants.

Value-Added and Diversification

- Staff provided information to farm families, entrepreneurs, agri-business and producer organizations in the area of value-added and diversification.
- Staff made a total of 3609 general contacts and 301 in-depth consultations.
- Staff assisted with the planning and organization of a number of provincial and regional conferences and events including: the Honey, Garlic and Maple Syrup Festival in Manitou; the Direct Farm Marketing Conference in Brandon; the South Central Tourism Network and Rural Forum.
- A meeting of the Central Economic Development Network was held with representatives of Heartland Community Futures, Central Plains and Pembina Valley Development Corporations, Food Development Centre, MAFRI, and six local Community Development officers in attendance. Information on programs and activities was shared.
- A valued added meat processing tour was held with 23 attending. Tour stops included the federally inspected Winkler Meats, provincially inspected Carman Meats, and the Food Development Centre at Portage.
- Staff also worked closely with Community Development Organizations and provided information for projects such as ethanol, special crops processing, wind energy, and meat processing.

Manitoba Crop Insurance

- Staff allocated six percent of their time to the Manitoba Crop Insurance Program with 2,608 general contacts and 127 in-depth consultations.
- Staff assisted in the explanation and compilation of Seeded Acreage Reports, Harvested Production Reports and the sale of additional hail insurance.

Engineering

- Adverse weather conditions resulted in an unusually high number of in-depth grain drying and aeration inquiries in the fall. The number of consultations with producers on environmental and structural related problems increased slightly compared to other years, while those related to livestock production facilities, farmstead planning and machinery were down.
- The engineering component for six technical reviews was completed. Follow-up to four previous orders and two new investigations were completed for the Farm Practices Board.
- The Central Region hosted a highly successful tour as part of the Living with Livestock, Environment and Change, Manure Management Conference. The tour featured:
  - windrow and in-vessel composting
  - new manure storage structures and components
  - feedlot containment and monitoring
  - earthen manure storage liners
  - a new agitation system
- A mortality composting trial was successfully undertaken using a combination of wood chips and fibre. The results of the trial were demonstrated at both a tour and fall producers meeting.
- Engineering assistance to Assiniboine Community College with course content and presentations for their certification courses with the Facilities Management Course for Pork Production Managers, the Commercial Manure Applicators, and the Manure Management Planner courses was provided.
- Engineering input was provided into Environmental Farm Plans, the Farm Practices Guidelines and the Livestock Manure and Mortalities Management Regulation review.

Agricultural Crown Lands

- Land Representatives located in Dominion City, Teulon and Neepawa monitored and managed 287,335 acres of agricultural Crown land. The representatives promoted the productivity and sustainable use of agricultural Crown lands.
- During 2004/2005, the Land Representatives were involved in the management of 744 forage leases, 41cropping leases, 154 renewable hay/grazing permits and 23 casual hay/grazing permits.
- Other activities included the administration of provincial waterways, Portage Diversion and Red River floodway projects.

Sustainable Development

In 2004/2005, staff participated in a number of sustainable development activities relating to the Principles and Guidelines of Sustainable Development.

Integration of Environment and Economic Decisions (Principle #1)

- As producers searched for higher net returns, diversification and value-added inquiries increased regarding livestock, special crops, and potato production.
- Staff worked with producers to provide production and cost of production information to producers diversifying into these commodities.
- Numerous on-farm tests were conducted to evaluate new technologies with producers and to determine the economic viability of new products.
- On-farm tests included:
  - pest management
  - nutrient management
  - field bean variety comparisons
  - variety testing for corn and cereal silage production
  - alternative grazing practices
- Results were compiled and distributed at extension meetings, as well as in newsletters and newspaper articles.

Shared Responsibility and Understanding (Principle #3)

- Staff continued to support leadership development initiatives within 4-H, Agricultural Society, and Women's Institute programs.
- Staff provided both technical and leadership development information for clients in the 4-H program.
- Diversification information for crops and livestock opportunities was provided to producers.
- Staff assisted with the organization of the Manitoba Bean Symposium in Portage la Prairie which attracted approximately 500 participants per day for the two-day event.

Conservation and Enhancement (Principle #5)

- Staff continued to highlight beneficial management practices and environmental farm planning through the delivery of 28 Environmental Farm Planning (EFP) workshops (an environmental initiative under the Agricultural Policy Framework (APF)).
- Areas of focus included:
  - soil conservation
  - input management
  - riparian area management
  - water quality protection
  - air quality
  - biodiversity enhancement
- Staff worked with various water management organizations such as:
  - Winkler Aquifer Management Board
  - Stephenfield Lake Watershed Management Plan
  - Northwest Red Water Management Association
  - South Tobacco Creek Model Watershed Project
  - Treherne Dam Committee

- Coleman Watershed Management Plan
- Goudney Reservoir

- As well, staff provided technical support to the Conservation Districts in the region, including the Pembina Valley Conservation District, LaSalle Redboine and the Tiger Hills Conservation District.
- Projects concerning water quality were undertaken in the region, including the South Tobacco Creek Project, which included a detailed study of agricultural land use in relation to environmental factors. This project was directed by the Deerwood Soil & Water Management Association with technical assistance from MAFRI, as well as financial assistance from Covering New Ground.
- Research activities included a comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed and the impact on water quality, the analysis of sediment loading in the watershed and maintenance of background run-off water quality data.
- South Tobacco Creek is one of the seven model watersheds identified in the National Watershed Evaluation of Beneficial Management Practices (WEBs) project. The objective of this study is to quantify on a watershed scale the relative environmental and economic performance of five selected beneficial management practices (BMPs).
- This study will focus on such practices such as land conversion (annual crop to grassland), riparian buffer strip enhancement, managed livestock access to water and nutrient management.

Rehabilitation and Reclamation (Principle #6)

- The encroachment of brush onto traditional grassland area is a serious problem in native pastures, as it results in loss of productivity. MAFRI promoted brush control methods to reclaim the native grassland areas in order to deal with the losses occurring relative to productivity and biodiversity, and was conducted within the multiple resource/sustainability principles.
- The methods used included animal impact and controlled burns, as well as mechanical methods such as bark scraping, wiping, drumrolling, roller chopping and mowing.
- Land Representatives acted as liaisons between agricultural users and resource users such as wildlife, forestry, mining, and recreation.

5 (c) Central Region

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	2,319.6	45.79	2,566.6	(247.0)	
(2) Other Expenditures	706.9		700.7	6.2	
TOTAL EXPENDITURES	3,026.5	45.79	3,267.3	(240.8)	

Appropriation 5 (d) - Eastern/Interlake Region

Farm Management

- Farm management information was provided to producers and agri-businesses through 4,419 general contacts, 1,545 in-depth consultations and a variety of farm management extension meetings. Contacts covered topics such as production economics, financial management, record keeping, business arrangements, marketing and estate planning.
- The Canadian Agricultural Income Stabilization (CAIS) program was an important focus with the deadline for completing Supplementary Forms being November 30. There were many one on one consultations and 13 meetings were held.
- Staff continued to work with beef producers as the US border closure (due to BSE) continued. Due to below-average market prices, beef producers' problems were mainly in the cash flow area.
- The CAIS program provided income to many beef producers. Several Beef Outlook meetings dealing with marketing strategies in the face of the BSE crisis were held.
- The Bridging Generations Initiative continued with training held in the north Interlake, Selkirk and eastern parts of the region.
- Contact with grain producers addressed low market prices for 2004 production. Yields and quality suffered due to poor growing conditions which contributed to lower incomes.

Crop Production Enhancement

- Crop production information was provided through 14,404 individual general contacts and 3,463 in-depth consultations that provided clients with detailed information on crop production issues.
- Cash and export hay markets to the USA and Asian countries have continued to be areas of interest. Producers of high quality hay have consistently generated good cash returns.
- Staff have been involved in:
  - sourcing and developing new export markets
  - developing trade missions and displays (ex. World Dairy Expo in Wisconsin)
  - the Canadian Hay Association's Annual Conference
  - developing newsletters
- Regional hay lists continued to be important in identifying potential supplies for local and export markets.
- Extension activities centered on the agronomy and management techniques required to produce good quality exportable hay. Numerous demonstration plots were developed to support this effort. Staff continued to support the establishment and development of a viable hay processing industry in the region and province.
- Grazing management was of increased interest to clients, by both traditional livestock producers and general crop farmers who were considering diversifying into forages and livestock. Six grazing clubs were established. Staff worked with grazing coordinators in organizing a number of grazing schools and events.
- The Narcisse Pasture Project, which is in its 37th year, was used to demonstrate good grazing management. A number of other grazing demonstrations projects were established.
- Staff assisted the provincial forage adaptation and variety testing program, with test centres at Arborg, St. Pierre and Neepawa. Activities included the evaluation of forage cultivars for herbage yield and winter hardiness. Staff co-operated with the Manitoba Forage Seed Association (MFSA) in the operation of the Western Grass Seed Test, a variety test coordinated across the western provinces.
- Staff were involved in forage research and development in western Canada for both forage seed and forage management. This involvement occurred in co-operation with Agriculture and Agri-Food Canada, other provincial departments, Manitoba Forage Council, MFSA, seed trade companies and the University of Manitoba.
- Staff assisted in the publication of *Seed Manitoba* and in supervising the publication of *Forage Seed News*, a national publication, as well as the publication of *Tolerance of Forage Crops to Herbicides* in

co-operation with Alberta Agriculture, Food and Rural Development and the *Manitoba Forage and Grassland Reference Manual* in co-operation with the Manitoba Forage Council.

- Staff led efforts in developing the grass seed production industry in western Canada and coordinated a major investigation effort in weed disease and insect control in forage and forage seed crops.
- Staff led efforts to address disease issues in both legume and grass seed crops with a series of investigative trials across Manitoba. Through these efforts, data was collected to support upcoming requests for minor use registrations.
- The 2004 crop year was one that presented major challenges to producers in terms of poor weather and resulting poor crop quality.
- Staff assisted in numerous ways including providing local data on the performance of large acreage crops and demonstrations of special crops through the use of two Manitoba Crop Variety Teams (MCVET) sites.
- Staff assisted in evaluating, testing and promoting new cropping options including the investigations carried out through the Stonewall and District Innovative Crops Committee in the South Interlake.
- Staff organized crop extension meetings in each district and five major events with trade shows.
- Staff worked with the University of Manitoba, Agriculture and Agri-Food Canada and commodity groups.
- Field days were held to present new production techniques in crops such as corn, soybeans, winter wheat and field beans to producers and industry partners.

Soil and Water Conservation

- Staff provided assistance to seven local delivery groups which received funding for 28 projects under the Covering New Ground Program, plus support for one regionally administered project. These projects focused on the region's economic sustainability of its crop, forage, forage seed and livestock industries, and environmental protection of its soil and water resources.
- Activities included field days, meeting presentations, newsletters/releases and other media coverage, and reached approximately 120,000 producers, municipal councillors and general public.
- Staff conducted 3,467 consultations regarding agricultural conservation planning and programming.
- Approximately 2,400 farmers, municipal officials and non-agricultural residents participated in project related meetings and field days.
- Staff assisted seven planning districts and 30 rural municipalities on 337 subdivision requests and inspected 168 sites to evaluate some of those requests.
- Staff provided input into the review of the Provincial Land Use Policy and Bill 40 - The Planning Amendment Act.
- Staff provided background agricultural information for planning districts and rural municipalities engaged in their development plan reviews.
- Six extension events were held to encourage producer involvement in land use planning.
- Two regional soils workshops were conducted for staff and one meeting provided staff with information regarding the planning process and potential impacts on agriculture.
- Two new Farm Practices Protection Board investigations were undertaken and follow-up inspections completed on seven prior complaints with reports submitted to the Farm Practices Protection Board.
- The Regional Technical Review Committee reviewed a total of 12 applications for proposed livestock operations. The outcomes were:
  - As required by the terms of reference for the Technical Review Committee, staff carried out the 12 inspections for the purpose of evaluating site conditions and the proponent's manure management strategy.
  - During the process, staff had 74 contacts with proponents of new and/or expanding livestock operations, 46 contacts with municipal councils, 13 contacts with the general public (as well as 14 contacts with consultants on behalf of the proponents), and 102 contacts with members of the Technical Review Committee.
  - Of the 12 proposals reviewed, ten were approved by municipal council and one was not approved.
  - At present, one additional proposal has been forwarded to council with no decision and three proposals are presently in the review process.

- Of the 12 reviewed proposals, eight involved hog operations, with two operations each in the dairy and poultry sector.

Livestock Production Enhancement

- Livestock extension activities included 7,608 general contacts and 2,468 in-depth consultations.

Beef Extension

- Staff made 3,685 general contacts and 981 in-depth consultations relating to:
  - production
  - nutrition
  - breeding
  - insect and disease control
  - pasture management
  - livestock facilities
  - cattle handling
  - record keeping
  - performance programs
  - marketing
- The region also hosted three of five Manitoba Beef Producer Seminars, which were held in Rosa, Teulon and Eriksdale.
- Over 600 producers and 100 members of the agriculture and agri-business community attended these sessions that addressed topics such as bovine spongiform encephalopathy (BSE), selling meat, Rancher's Choice update, the Canadian meat packing industry, herd health basics and round bale silage.
- Over the year, other meetings were held and addressed topics such as:
  - alternative feeding strategies
  - marketing and economics
  - electric fencing
  - forage selection
  - annual forages
  - herd health
  - winter feeding
  - calving difficulties
  - nutrition

Dairy Extension

- Dairy extension activities included 452 general and 125 in-depth consultations.
- The region's two dairy clubs, comprised of 450 dairy producers, continued their activities.
- Staff organized dairy seminars, tours and clinics that included such topics as:
  - calf immunity
  - strategies to optimize reproductive management of dairy heifers
  - systematic breeding protocols
  - targeted heifer growth
  - a producer panel discussing the large herd's perspective of registering
- Staff were involved in two regional seminars that attracted an attendance of about 400 producers.

Swine Extension

- Financially, producers had a good year and took the opportunity to pay down debt. Expansion planning is focussing on the grow/finish part of the industry.
- Staff were involved in 546 general and 508 in-depth calls.
- Nine district meetings were held relating to mixing feed on the farm, profitability in the pig industry, composting mortalities, land use guidelines, nutrition and university research activities.
- Feeding programs continue to change to include the use of phytase to reduce phosphorous excretion and the use of synthetic amino acids to minimize nitrogen excretion.

Agricultural Engineering Extension

- Agricultural engineering extension included 662 general and 241 in-depth consultations.
- Engineering activities covered beef, dairy, swine and poultry, as well as crop production including hay, silage and the design and management of grain systems.
- Environmental focus has intensified with the rollout of the Environmental Farm Plan program, dealing primarily with issues regarding odours, manure storage and application. In the more intense livestock production areas, producers looked at management methods and new technologies to reduce phosphorous application to land to address the concerns regarding phosphorous build-up.

- Contacts with beef producers dealt with production facility design and management of runoff from their facilities. A number of producers looked at possible ways of reducing odours from their hog facilities. Options considered were manure storage covers, bio-filters and anaerobic digesters.
- The demonstration anaerobic digester near Teulon has been slow to become fully operational. Once running, potential benefits to use of the technology are projected to be reduction of odours as well as production of heat and electricity resulting in reductions in operating costs.
- Engineering assistance was given for the preparation of 12 Technical Review Reports for livestock operations in the region.

4-H and Youth

- Staff supported an active 4-H program, which involved 1,192 members and 498 leaders participating in 55 4-H clubs. The focus of the program was to provide training and opportunities in communication, leadership and skill development. Farm and rural safety, and agriculture awareness themes were also incorporated into youth activities.
- Several activities occurred in conjunction with the Regional 4-H Councils. These activities included:

▪ training events	▪ one regional junior member activity
▪ a senior members' conference	▪ two regional communications events
▪ three senior member activities	▪ a one week camping program
▪ three intermediate level events	▪ two horse shows
	▪ a regional beef day

- In co-operation with MAFRI, 11 district councils organized workshops and training events, fun days, 10 district leader appreciation nights, and district communication events. Staff attended club achievement days and presented achievement awards and certificates and seals to 4-H leaders.
- During the year, staff made 7,296 general contacts and 1,055 in-depth contacts with 4-H clients. Clients use the 4-H program to improve their leadership, communication, production, and life skills.

Home Economics

- *Family Connections*, written and edited by Eastern/Interlake Home Economists, is in its 30th year of publication. Four issues were published this year and distributed to 8,000 farm and rural families, plus 368 received the publication via e-mail.
- Other communication activities included writing newscolumns for local newspapers, radio spots and office newsletters.
- Manitoba Regional Cuisine Website Directory, developed in 2002, continues to be updated. The on-line directory currently provides 82 Manitoba producers with a link to chefs, restaurateurs, and the general public to market approximately 144 locally produced foods.
- In a response to the success of "Healthy Women, Healthy Communities", a Southeast Women's Community Council was formed to address issues faced by rural women and families. A Home Economist was one of the founding members of the council and participates on a regular basis. The council has spearheaded the development of a Transportation Committee to look at the lack of affordable transportation in the area.
- The Rural Community Support Team in the North Interlake used its funding to help support a Farm Women's Day in Eriksdale in November.
- With the continuing BSE crisis, support to farm families comes in terms of providing information and factsheets. In the eastern part of the province, the BSE situation was closely monitored. Contact has been kept with managers of Mental Health Services in South Eastman Health Authority and North Eastman Health Authority to continue to provide them with an overview of the impact of BSE on the farm community.
- Leadership skill development activities included involvement with 4-H, agricultural societies, Women's Institute, interagency/wellness coalitions, strategic alliances and farm safety initiatives days.
- Provincial activities included working with the Direct Farm Marketing Conference and the Manitoba Farm Women's Conference. Home economists also volunteered in Winnipeg, at the World Meat Congress held in June.

- Home Economists staffed displays at the Red River Exhibition and Amazing Grains, to promote agriculture awareness and farm safety to the urban/rural consumer. Home economists organized and promoted six tours on the diversity of agriculture in the region.
- Staff were involved in 7,068 general contacts and 1,172 in-depth consultations.

Value-Added and Diversification

- Staff provided advice and technical information to producers and rural entrepreneurs on a variety of value-added and diversification ventures. Information included business development, marketing, financing, production technology, and the economics of value-added and diversified agricultural products.
- There were 2,439 general contacts and 671 in-depth contacts for value-added and diversification.
- Consultations, seminar presentations and tours were held involving areas such as:
  - biodiesel
  - aquaculture
  - Saskatoon production
  - grass-fed livestock
  - custom composting
  - regional cuisine
  - sea buckthorn
  - hemp
  - Christmas trees
  - woodlots (hybrid poplar)
  - herbs and spices
  - flax, as a nutraceutical
  - pastured poultry
  - agri-tourism
  - bed and breakfasts
  - rural craft businesses
  - organic production
  - pesticide-free production
  - farmers' markets
  - greenhouses
  - market gardens
  - U-pick fruits & vegetables
  - meat slaughter & processing plants
  - meat retail outlets
  - food processing
  - food service
  - pet food
  - consumer trends
  - marketing
  - e-business
  - value chains

- Biodiesel is being produced on-farm on a small-scale by Midlake Foods of Arborg using a variety of oilseeds, with plans for expansion.
- There is increasing interest in the meat processing industry. A farm family in the Poplarfield area of the Interlake has established an on-farm meat processing plant.
- Staff assisted Prairie Lane Saskatoons of Petersfield in the planning of their second annual two-day event, showcasing the saskatoon industry. In attendance were food buyers and brokers from the United Kingdom, Japan, Germany and USA, as well as growers from the three Prairie Provinces.

Manitoba Crop Insurance

- Staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program by providing support regarding program explanation, Seeded Acreage Reports, Harvested Production Reports, plus assistance with the MCIC Calf Set-Aside and Fed Cattle Programs.

Agricultural Crown Lands

- Land representatives are responsible for managing Crown lands identified for agricultural production, and for promoting the productivity and the sustainable use of these lands.
- Four land representatives located in Dominion City, Teulon, Arborg and Ashern monitored and managed 539,062 acres of agricultural Crown land. The four districts have a total of 950 forage leases, 43 cropping leases, 43 casual hay/grazing permits and 211 renewable hay/grazing permits.

Sustainable Development

- Staff participated in a number of sustainable development activities which addressed the Principles and Guidelines of Sustainable Development.
- The Covering New Ground Program (CNG), Manitoba's agricultural sustainability initiative, provided the financial thrust for sustainable programming in the region.
- Twenty-eight CNG supported projects, in partnership with seven regional agro-environment focused producer groups, addressed several of the Principles and Guidelines of the Sustainable Development Act.

- The extensive level of sustainable programming managed by staff emphasizes the priority given to the economic, social and environmental well-being of the region's diverse rural landscape.

Environment and Economic Decisions (Principle #1)

- "Environment and Economic Decision" was addressed by 15 projects throughout the region with a primary focus on dead stock composting, improved pasture systems, forage feed improvement and testing, alternate feed sources, pasture water quality, on-farm water management and winter wheat extension.

Stewardship (Principle #2)

- Seven projects addressed issues relating to:
  - water quality monitoring of Whitemouth River, Rat River, and Roseau River watersheds
  - riparian management
  - deep nutrient monitoring/management of both manured (versus non-manured) and commercially fertilized fields

Shared Responsibility and Understanding (Principle #3)

- A series of producer workshops and symposiums were organized throughout the region. These initiatives addressed sustainable awareness, sustainable forage production, and livestock production systems.

Conservation and Enhancement (Principle #5)

- Projects were formed which focused on water quality, on-farm drainage, riverbank stabilization, abandoned wells, and watering alternatives for pastured livestock.

5 (d) Eastern/Interlake Region

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	3,544.5	63.46	3,545.1	(0.6)	
(2) Other Expenditures	1,227.1		1,222.7	4.4	
TOTAL EXPENDITURES	4,771.6	63.46	4,767.8	3.8	

Appropriation 5 (e) - Agricultural Crown Lands

The primary objective of the Agricultural Crown Lands Branch is to:

- manage agricultural Crown lands, including all leases and permits;
- advertise available Crown lands for lease/permit; and
- promote the productivity and sustainable use of agricultural Crown lands.

The Branch represents the agricultural interests in Crown lands for the benefit of both lessees and the Province of Manitoba.

During 2004/2005, the Branch managed 2.4 million acres of Crown land which included:

- 2276 long-term forage leases involving 1,583,992 acres
- 75 cropping leases involving 10,675 acres

The remaining lands are offered for permit on a yearly basis.

Staff provide a liaison with Prairie Farm Rehabilitation Administration (PFRA) and their community pasture program that operates primarily on provincial Crown land.

During the 2004 summer grazing season, approximately 56,739 head of cattle and 1,903 horses/colts used 24 PFRA pastures.

5 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	754.4	15.00	688.1	66.3	
(2) Other Expenditures	327.2		283.1	44.1	
TOTAL EXPENDITURES	1,081.6	15.00	971.2	110.4	

Appropriation 6
Rural and Northern Community Economic Development Services

The Rural and Northern Community Economic Development Services Division, which serves rural and northern communities, includes:

- Economic Development Initiatives with responsibility for the Rural Economic Development Initiatives (REDI) fund and associated staff; and
- Community and Regional Development Initiatives with responsibility for regional development programs and services, cooperative development services to urban, rural and northern communities, and rural policy development, including the National Rural Framework.

Combining Rural Initiatives with Agriculture and Food (Nov. 2003) has helped to increase awareness of the interdependent relationship between producers and communities. Communities provide goods, services, employment, social, and recreational opportunities for farmers and their families. Conversely, farmers and their families purchase goods and services and use these amenities. The well being of rural and northern communities requires the commitment and involvement of farm families, and vice versa.

Rural Initiatives' head office is located in Winnipeg, with Community Economic Development staff located in several regional offices throughout the Province. The division provides advice and program information on all aspects of community economic development and business development.

Our clients include existing and aspiring entrepreneurs and co-operators located in rural and northern Manitoba, community economic development organizations, municipalities, northern community councils, and private and public sector organizations. The division also offers advice and support to co-ops in urban centres, including Winnipeg.

The office of the Assistant Deputy Minister coordinates policy development, analysis, and program delivery within the division. Direction is provided to divisional staff in the areas of community economic development, programming, financial service delivery, and cooperative development. The Assistant Deputy Minister's office provides the Deputy Minister, the Minister, and the Executive level of government with information and advice regarding community economic development, cooperatives, and business development initiatives.

With the implementation of the Department's new Growing Opportunities structure, the division underwent organizational changes. These changes will enable the Department to better meet the needs of the modern agriculture and food sectors and the challenges facing rural communities which will be reflected in future activity reporting.

Appropriation 6 (a) - Economic Development Initiatives (EDI)

The Economic Development Initiatives Branch is responsible for:

- managing the Rural Economic Development Initiative (REDI). This Strategy reinvests video lottery terminal (VLT) revenue back into rural and northern Manitoba to promote community economic development
- delivering programs under REDI (see Appropriation 6e)
- providing economic development support to northern communities including initiatives related to adjustment in areas affected by mine closures
- providing direct and indirect support for community economic, cooperative and small business development as well as for major initiatives such as ethanol and bio-fibre expansion

The branch participated in the following areas during 2004/2005:

- The *Hometown Manitoba Program* resulted in 175 approved applications with funding support of $300.7 during the first full year of this program.

- The *Rural Entrepreneur Assistance (REA) Program* approved 38 business loan guarantees totalling $2,441,549. These new business starts and expansions generated 108.5 full-time equivalent jobs as well as over $4.4 million in new capital investment (loans and equity) in rural and northern Manitoba.

  During 2004/2005 the REA Program expanded its eligibility criteria, to include loan guarantees for the purchase of existing businesses in northern Manitoba (north of the 53rd parallel) and in all Northern Affairs' communities. To date only one guarantee has been approved under this new criteria but more are anticipated as the program is marketed through participating financial institutions.

  The REA Program also provided advisory and counselling services to the expansion and administration of the Young Entrepreneurs Program. The two programs continue to be marketed together through all participating REA financial institutions.

  As a result of the Westoba Credit Union becoming a participating financial institution in the REA Program, all credit unions in rural Manitoba are now participating as approved lenders. Chartered banks participating as approved lenders include, the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia, the Bank of Montreal, National Bank, and all of Manitoba Caisse Populaires.

- The Community Works Loan Program (CWLP) assisted with the formation of two new Community Development Corporations (CDC). This brings the total number of CDCs, who participate in Community Works Loan Program (CWLP), to 71. All CDCs combined have made 617 business loans (totalling over $4.7 million), creating 945 new jobs, and maintaining 535 existing positions.

- The Feasibility Studies Program contributed $156,325 to 16 projects, including support for increased beef processing in Manitoba.

- The Infrastructure Development (Capital Grants) Program provided more than $2.0 million in support to Simplot Canada and three other community projects.

- The Green Team Program provided employment to more than 750 youth in rural and northern Manitoba communities and provincial parks.

- The Partners with Youth Program funded 22 community-based projects which provided employment and assistance to 260 youth. The Young Entrepreneurs component provided 68 business and skill development grants and provided support to the 1st Aboriginal Youth Mean Business Expo.

- The Community Enterprise Development Tax Credit (CEDTC) Program Regulation was passed through the Department of Finance in early 2005. This program provides an opportunity for Manitobans to invest in their own community while offering community enterprises access to capital for start-up costs or to expand. The CEDTC program will be actively promoted by program staff during 2005/2006.

- Support for the Keystone Centre enabled it to continue serving as a unique agricultural centre of excellence in North America and a major economic engine in Brandon and the Westman region.

- There was continued support for the developing ethanol industry including assistance to communities that are planning to pursue projects.

- Parkland BioFibre. The Branch has been assisting Parkland Bio Fibre in establishing an industrial hemp processing plant in Dauphin. The REDI Feasibility Studies Program has been offered to assist the proponent to develop a business/financial plan to secure financing.

- Treherne Dam. Assist proponents in assessing the feasibility of constructing a dam on the Boyne River north of Treherne creating a reservoir to be filled by diverting surplus spring flood flows from the Assiniboine River. Water from the reservoir will be used to irrigate crops and to provide potable water to the region through rural water systems. Activities include the establishment of a Task Force consisting of representatives from federal and provincial government departments, municipal representatives, regional and local organizations, individuals, and end users. The Task Force will study the results of the existing pre-feasibility study for a dam and other pertinent studies and information on the environmental, engineering, water supply, landowner and legal, cost benefit, financing, organizational and any other issues which may be affected to conclude a decision to proceed with further engineering/construction plans.

- The Canada/Manitoba Crop Diversification Centre (CMCDC) received funding in the amount of $60.0 in 2004/2005 to assist in the continued growth and diversification of the farm economy in Manitoba. The CMCDC represents a partnership between the Government of Manitoba, Industry (represented by the Manitoba Horticultural Productivity Enhancement Centre), and the Province of Manitoba. The CMCDC plays a significant role in the investigation, development, and promotion of new and sustainable management practices for intensive field crop production.

- Junior Achievement of Manitoba Inc. received a $125.0 contribution toward the delivery costs of Junior Achievement programs in rural and northern Manitoba. In 2004/2005 over 10,000 students in the province participated in five programs offered by JA such as Business Basics and the Economics of Staying in School.

- The Manitoba Chambers of Commerce received funding in the amount of $40.0 to deliver the Youth Business Institute Program (YBI) to Senior II, III, and IV level students throughout Manitoba. YBI is a computer simulated game that gives students a sense of what is required to operate a business successfully through the use of teamwork and technology. In 2004/2005, a total of 25 schools, representing 70 teams, participated in the program.

- Rural & Northern Community Adjustment. The Branch has been the lead agent for the Province on matters related to rural & northern Community Adjustment. Staff coordinated initiatives in communities that have been severely impacted by a downturn in their economy (ex. mine closures). Work is ongoing in Lynn Lake, Leaf Rapids, and Snow Lake and preliminary assessments are being conducted in Carberry, due to a downsizing of a major industry. Activities include:

  - the development and administration of workforce/community adjustment committees and strategies
  - travel and relocation assistance programs
  - housing care and maintenance programs

- Bio Products. Working cooperatively with Energy, Science & Technology, the Branch has been actively pursuing the development of the bio-industry in Manitoba through consultative services with industry and interested entrepreneurs, review of research and development projects, and opportunities identification.

6 (a) Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	870.6	14.00	794.2	76.4	
(2) Other Expenditures	233.6		253.7	(20.1)	
(3) Grants/Transfer Payments	505.0		545.0	(40.0)	
TOTAL EXPENDITURES	1,609.2	14.00	1,592.9	16.3	

Appropriation 6 (b) – Community Co-operative and Regional Development Initiatives

The objective of the Community Co-operative and Regional Development Initiatives Branch is to support the community and regional economic development efforts of rural and northern Manitobans. The branch is responsible for:

- Researching and partnering with community, business and cooperative leaders to develop community and economic development policies and strategies to support rural and northern community economic development activities
- Coordinating and participating in major events and initiatives in partnership with other key stakeholders

During 2004/2005, the branch participated in the following areas:

- Staff coordinated a successful 12th annual Rural Forum in Brandon, Manitoba, along with over thirty private and public sector partners. The event attracted more than 9,500 participants over three days including over 500 Youth Forum participants, more than 200 community and small business exhibits, and over 20 seminars attracting in excess of 500 registered participants.
- Staff promoted rural development and valued-added sectoral expansion for both agricultural and non-agricultural products through ongoing support for the Rural Development Institute and Regional Development Corporations.
- Staff represented Manitoba's interests in ongoing National Rural Framework discussions, including leading its communication committee.
- Staff co-chaired Rural Team Manitoba, a committee of federal, provincial, and non profit organizations dedicated to coordination of services to rural and northern Manitobans.

Cooperative Development Services

Cooperative Development Services supports the use of the cooperative model in local and regional community economic development. The branch assists communities and groups throughout Manitoba by:

- developing viable cooperatives by providing path finding for financial assistance and other program and services
- general information on cooperatives
- assistance in identifying needs and opportunities for cooperative development
- encouragement and support for developing cooperatives

In addition to providing information and advice to existing and new co-ops, staff also provides secretariat support to The Cooperative Promotion Board and the Co-operative Loans and Loans Guarantee Board. The Cooperative Promotion Board provides grants to assist and encourage the development of cooperative enterprises in Manitoba. The Co-operative Loans and Loans Guarantee Board was established to ensure that cooperative organizations have reasonable access to capital necessary for the development and expansion of viable cooperative enterprises. The principal tool used is loan guarantees. Additional information regarding these boards is available in their annual reports.

During 2004/2005, Cooperative Development Services achieved success in the following areas:

- Provided assistance leading to the establishment of 15 new cooperative ventures throughout Manitoba and the maintenance of many more.
- Organized forums for community leaders and community economic development practitioners on using the co-op model to develop affordable housing and local food production and to deliver social services.
- Training for Government officials on various co-op development models and their role in effective CED.

6 (b) Community Cooperative and Regional Development Initiatives

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	848.1	16.00	1,105.8	(257.7)	1
(2) Other Expenditures	206.0		206.0	-	
TOTAL EXPENDITURES	1,054.1	16.00	1,311.8	(257.7)	

1. The variance under authority is primarily due to vacancy management.

Appropriation 6 (c) – Infrastructure Development Grants

This program facilitates infrastructure projects which enhance sustainable economic development in various communities in Manitoba.

Infrastructure Development Grants' activities also include:

- providing communities with technical and financial assistance to foster new and expanding sustainable economic diversification projects
- enhancing opportunities for local value added economic development

During 2004/2005 more than $2.0 million was provided in support to Simplot Canada and three other community projects.

6 (c) Infrastructure Development Grants

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	2,060.1		3,150.0	(1,089.9)	1
TOTAL EXPENDITURES	2,060.1		3,150.0	(1,089.9)	

1. *The variance under authority is primarily due to an in-year expenditure management reduction consistent with the government - wide fiscal restraints.*

Appropriation 6 (d) – Less: Recoverable from Rural Economic Development Initiatives

This program provides for the recovery of expenditures related to:

- Community and Regional Development Initiatives and Economic Development Initiatives
- Grants to the Regional Development Corporations, from the Rural Economic Development Initiatives Program

6 (d) Less: Recoverable from Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Recoverable from Rural Economic Development Initiatives	(3,645.6)		(3,673.5)	27.9	
TOTAL EXPENDITURES	(3,645.6)		(3,673.5)	27.9	

Appropriation 6 (e) - Rural Economic Development Initiatives (REDI)

REDI funds enhance business and cooperative development, create opportunities for youth, support industry, and help rural communities and organizations address local priorities and needs, thereby improving Manitobans' quality of life.

REDI programs include:

- **Feasibility Studies Program**
  This program assists rural businesses, co-ops, and municipalities to access reliable research and planning for potential new or expanding projects that contribute to community prosperity, including the creation of jobs. The program provides up to 50% cost-shared funding for:
  - the hiring an independent consultant for financial, marketing or engineering analysis,
  - development of a business plan, and/or
  - International Organization for Standardization (ISO) / Hazard Analysis Critical Control Point (HACCP) certification.
- **Rural Entrepreneur Assistance Program (REA)**
  This program provides loan guarantees of up to $100,000 to full-time, small and home-based operations in rural Manitoba for business start-ups or expansions through participating financial institutions. The program also supports applicants' prospects for success by covering business seminars and other activities. Virtually all banks and credit unions in Manitoba participate in the program.
- **Community Works Loan Program**
  This program provides cost-shared funding to participating Community Development Corporations (CDCs) to allow them to establish revolving capital pools that support new or expanding small businesses with loans of up to $10,000. These micro loans fill a gap by supporting businesses that would not normally have access to assistance through traditional lending institutions. The program also offers skills development to community members who serve on CDC boards.
- **Hometown Program**
  This program provides financial support for rural and northern area projects initiated by local communities, organizations, cooperatives, and businesses that enhance "main street" public places and building exteriors. The program aims to promote the unique identities and themes that define communities.
- The **Community Enterprise Development Tax Credit (CEDTC)** Program Regulation was passed through the Department of Finance in early 2005. This program provides an opportunity for Manitobans to invest in their own community while offering community enterprises access to capital for start-up costs or expansions. The CEDTC program will be actively promoted by program staff during 2005/2006.
- **Green Team Program**
  The program is administered by Education and Youth and provides summer employment to rural youth 16 to 24 years of age. There are two parts to the program: one offering employment in provincial parks and the second, the Hometown component, enabling communities, municipalities, tourism operators, and Conservation Districts to hire youth for summer projects.

- **Partners With Youth Program**
  This program is administered by Education and Youth to help improve the employability of young people facing multiple barriers to employment or who are on social assistance. Eligible participants, 18 to 29 years of age, receive job search assistance, training, and other work experience for up to eight weeks through participating sponsors. The Youth Entrepreneurs Assistance component offers grants of up to $4,000 to youth 18 to 29 years of age in establishing a new full-time, year-round business.

- **Strategic Initiatives**
  This component funds strategic projects which are significant in terms of:

  - building a foundation for sustainable economic development
  - diversification of the rural economy
  - enhancement of programs, and services

  This is in an effort to bring large scale benefit to communities and regions.

- **Grow Bonds Program**
  Grow Bonds allowed Manitobans to invest directly in local enterprises under provisions of *The Community Development Bonds Act*, whereby communities managed bond offerings, while the Province guaranteed the bond principal. This program is no longer being offered and has been replaced with the Community Enterprise Development Tax Credit Program. There are seven Grow Bonds still being administered for a total of $5.3 million.

6 (e) Rural Economic Development Initiatives

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Programs - Operating	11,164.0		10,217.5	946.5	1
(2) Programs - Capital Grants	4,346.2		4,757.5	(411.3)	2
TOTAL EXPENDITURES	15,510.2		14,975.0	535.2	

1. *The variance over authority is mainly due to an additional Grow Bond provision of $1,784.2 partially offset by an in-year expenditure management reduction that is consistent with the government - wide fiscal restraints.*

2. *The variance under authority is mainly due to less uptake on Hometown Manitoba and an in-year expenditure management reduction consistent with the government – wide fiscal restraints.*

Appropriation 7
Policy and Economics

The Policy and Economics Division coordinates long-term policy and program development for Manitoba Agriculture, Food and Rural Initiatives (MAFRI). This division conducts analysis and provides agricultural statistics, marketing, and production information to the general public and staff. Policy and Economics provides funding for the administration of various boards and commissions.

With the implementation of the Department's new Growing Opportunities structure, the division underwent organizational changes. These changes will enable the Department to better meet the needs of the modern agriculture and food sectors and the challenges facing rural communities which will be reflected in future activity reporting.

Appropriation 7 (a) - Economics

The primary objectives of the Economics Branch are to provide:

- analysis/evaluation/facilitation and management support documents towards enhancing the economy and effectiveness of the department's programs and activities
- research, analysis, and strategic policy advice to support the department's response to industry challenges
- policy advice involving the Agricultural Policy Framework, and to provide central coordination for its implementation
- professional support to the industry and the province regarding agricultural trade policy issues
- coordination of long term policy and program development within the department
- agricultural statistical, marketing, and production information to farmers, the agriculture and agri-food industry, and staff.

Program Analysis Section

During 2004/2005, the Program Analysis Section coordinated and edited an updated version of the *Programs and Services* profiles found on the department's Home Page. These profiles inform readers, especially the public, of client services available through the Department. In addition, the section also coordinated the annual updating of other documents.

The section coordinated the completion of several surveys, including compilation of data on the Department's research and scientific activities.

The branch was involved on the Home Page Management Committee that provided leadership in coordinating information on the Department's Home Page. The Department's Home Page is located on the World Wide Web, where producers, agribusiness, and MAFRI staff obtain timely information concerning crop production, livestock production, and current climate conditions. The Home Page serves as a tool to inform the general public about Manitoba's diverse, safe, and nutritious products. Staff maintain over 8,500 files online, with over 1.0 million page views of the site annually.

Some of the 2004/2005 enhancements for the Home Page involved:

- Young Farmers, a site that expands upon the stories in the Young Farmers Newsletter, and provides links to departmental and corporate services, and programs of interest to young farmers.
- A Manure Rate Application Calculator (MARC) 2005 was added to the website. It is manure management planning software for Manitoba and Saskatchewan. MARC 2005 is a more advanced version of MARC98, which was adapted from NMan97 software for Ontario.

- The Agri-Maps Map Viewer application has been updated to include more map tools, improvements, and additional resource information to bring better mapping data, Geographic Information System (GIS) data, and services to MAFRI staff, department clients, and the public at large. Agri-Maps provide MAFRI GIS information in a dynamic/interactive web-based format. The Map Viewer application includes data on Manitoba's geography and resources, and current aerial photography.
- The Manitoba Hay Listing service was revised to include listings for straw, pasture for rent, pasture wanted, and cattle boarding offered or wanted. Information on Manitoba horse hay and nutrition was also added. These listings are updated by staff located in our rural offices. Manitoba is well known for producing some of the best top quality hay world wide. The service aids the export of our top quality dairy hay products to the U.S. and world wide.

The section also plays a leadership role in the Succeeding Generations initiative (formerly known as Project 2000). This program is aimed at providing support to young and beginning farmers as well as intergenerational transfer issues. The components include mentoring, "Your Future in Farming", and the "Bridging Generations Initiative" (the financial component through MACC). The Young Farmers Newsletter published three issues in 2004/2005 that profiled dynamic young farmers and provided information about Departmental, MACC and MCIC programs.

Policy Analysis Section

During 2004/2005, Policy Section staff continued to support the integrated national goals set under the Agricultural Policy Framework (APF), a five-year federal-provincial-territorial agreement in agriculture and agri-food. The APF identifies the common goals or five key areas of agricultural policy and programming as Food Safety and Quality, Environment, Renewal, Science and Innovation, and Business Risk Management.

Staff provided administrative support and program co-ordination to the Canada/Manitoba Implementation Agreement of the APF in which programs or actions in support of APF objectives are identified and delivered, including transitional programming. Policy staff also supported the Federal/Provincial Management Committee which is responsible for the implementation of various chapters under the APF.

Staff participated:

- in policy development on Business Risk Management
- on both federal/provincial Business Risk Management and CAIS Working Groups
- on the National Net Income Stabilization Account (NISA) Committee
- and provided input to the development of the Canadian Agricultural Income Stabilization (CAIS) Program.

Staff obtained input from producer groups and the Manitoba Safety Nets Consultation Committee. Policy staff maintained responsibility for the budget and expenditures for CAIS.

Staff continued participation on the Canada-Manitoba APF Environment Working Group. This included activities associated with preparation of the Contribution Agreement for the Delivery of Environmental Farm Planning between Canada and Manitoba, and the Farm Stewardship Association of Manitoba Inc.

Staff continued to provide support to Manitoba's response to the discovery of Bovine Spongiform Encephalopathy (BSE). Staff continued to collaborate with the federal government and other provinces to press the United States for fair trade. Staff continued to provide economic analysis of the impacts of BSE and participated in the development of Manitoba programs which are designed to help producers weather these impacts.

Staff provided support to the Tri-National (Canada/U.S./Mexico) Accord meetings in California, United States. Staff developed policy and worked with the federal government on a number of bilateral and multilateral trade issues (in addition to BSE) such as the U.S. challenge on hog countervail and CWB trade issues.

Staff continued to work with industry and to provide advice to the federal government on the World Trade Organization (WTO) negotiations on agriculture. In addition, staff provided support and advice to other provinces and the federal government towards a completed review of the scope and coverage of the agreement on internal trade (the agriculture chapter).

The Section provided input on a number of other issues including: grain handling and transportation, farm taxation, climate change mitigation and adaptation, water resource management, ecological goods and services, and Manitoba Crop Insurance's wildlife damage compensation program. The Section also provided support to the Agri-Food Research and Development Initiative (ARDI) Council. Staff participated in regional and provincial meetings to update producers and staff on agricultural policy issues.

Market Analysis & Statistics Section

The Market Analysis and Statistics Section assisted Statistics Canada, and Agriculture and Agri-Food Canada with data preparation and advised on how to improve the accuracy of selected Manitoba agricultural statistics. Staff participated in the calculation/assessment of appropriate crop and livestock prices, production and sales volumes, etc., for various estimation programs (ex. farm income calculations). Information was also prepared for compensation programs, such as BSE and predator compensation claims, which were administered by the Manitoba Crop Insurance Corporation (MCIC), and for the Canadian Agricultural Income Stabilization Program (CAIS), and the Manitoba Agricultural Credit Corporation (MACC).

The section prepared the annual *Manitoba Agriculture Yearbook*. Statistical releases were prepared on items such as quarterly farm cash receipts, net farm income forecasts, farm finance and bankruptcies, crop production estimates, and trade data. The Market Analysis and Statistics Section prepared and published the *Manitoba Markets Weekly Report* which summarizes crop and livestock market conditions.

Staff prepared and made presentations to producer groups, staff and others, on sector performance, market conditions, and prospects throughout the year. Staff participated in organizing Grain World 2005 in Manitoba.

A large portion of staff time involved assisting producers, other members of the agri-food industry, media, and general public with requests for agricultural statistical data, marketing data, and forecasts.

7 (a) Economics

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	1,136.5	18.50	1,283.8	(147.3)	
(2) Other Expenditures	386.7		320.2	66.5	
TOTAL EXPENDITURES	1,523.2	18.50	1,604.0	(80.8)	

Appropriation 7 (b) - Boards and Commissions Support Services

Boards and Commissions Support Services includes the following council, agency, boards and commission:

- Manitoba Farm Products Marketing Council,
- Manitoba Milk Prices Review Commission,
- Manitoba Farm Machinery Board,
- Agricultural Producers' Organization Certification Agency,
- Manitoba Farm Practices Protection Board,
- Manitoba Farm Mediation Board,
- Manitoba Farm Lands Ownership Board, and
- Manitoba Horse Racing Commission

With the implementation of the Department's new Growing Opportunities structure, the branch underwent organizational changes. These changes will enable the Department to better meet the needs of the modern agriculture and food sectors and the challenges facing rural communities which will be reflected in future activity reporting.

Manitoba Farm Products Marketing Council

The objective of the Manitoba Farm Products Marketing Council is to provide effective administration of *The Farm Products Marketing Act*. The council is responsible for supervising the operations of various boards and commissions, and enforcing the regulations. It serves as an appeal body for individuals affected by a regulation, order, or decision of these boards and commission.

Staff supports the work of the council members by providing required background documentation and analysis for meetings and appeals. As well, staff reviewed regulatory proposals and amendments and national marketing issues. Council staff advises the Department Executive on marketing policy issues and respond to public and producer inquiries. They maintain regular contact with management staff of the boards and commission, other provincial supervisory councils, and the National Farm Products Council.

In 2004/2005, the council supervised the following boards and commission:

- Manitoba Beekeepers' Association,
- Manitoba Broiler Hatching Egg Commission,
- Manitoba Chicken Producers,
- Manitoba Egg Producers,
- Dairy Farmers of Manitoba,
- Manitoba Pork Council,
- Manitoba Turkey Producers, and
- Peak of the Market.

The council convened ten meetings at which three appeals were heard, and nine delegations made presentations. The council's activities were primarily focussed on:

- the report of a mediator to address the issues of concern between hatching egg producers and hatcheries,
- amalgamation of the Manitoba Broiler Hatching Egg Commission within the Manitoba Chicken Producers,
- reviewing and recommending approval of revised Marketing Plan Regulations for eggs and dairy,
- assessing proposed changes to the five year moratorium on reallocation of quota,
- quota allocation procedures and values,
- regulatory changes to various Quota Orders and Levy Regulations,
- consideration of a request to establish a processing potato board, and
- approval of two new Administrative By-Laws.

A joint meeting of the poultry boards along with representatives of the National Farm Products Council was held to discuss the progress in renewing the Federal Provincial Agreements.

Manitoba Beekeepers' Association
Procedures were resolved regarding the registration of producers for purposes of voting at the annual meeting. Therefore, no further issues of concern came before the council.

Manitoba Broiler Hatching Egg Commission
On January 1st, 2005 the amalgamation of the Manitoba Broiler Hatching Egg Commission within the Manitoba Chicken Producers (MCP) was completed and the regulatory authorities and responsibilities vested in MCP. Previous attempts to resolve the outstanding issues of the industry had all failed, including the engagement of a mediator, appointing an independent chair, and a third party review. Amendments to the Marketing Plan Regulation were undertaken to allow for the orderly winding up of the affairs of the Commission.

Manitoba Chicken Producers
In addition to amending the Marketing Plan to permit the regulation of hatching egg producers, several other regulatory issues were dealt with by the council. These issues included:

- approval of amendments to the Retirement and Basic Allotment Reallocation System,
- Administration Fee Regulations for both chicken and hatching eggs, and
- an Exemption Order for the production of roasting chicken.

The council declined proposed amendments to the five year moratorium on complete farms sales.

The council heard two appeals, the first one from the processors regarding the minimum price of chicken, and the second one from a registered producer who wished to re-locate the chicken operation within the five year moratorium period. The council upheld the processors' appeal and dismissed the register producer's appeal.

Manitoba Egg Producers
The council's and the board's intervention in the Saskatchewan Signatories' complaint against the Canadian Egg Marketing Agency's (CEMA) proposed quota and levy orders for 2004, did not result in a favourable decision by the National Farm Products Council. As a result, CEMA's methodology for allocating quotas is being challenged by the Saskatchewan Signatories in Federal Court.

The council has recommended to the Lieutenant Governor in Council that the revised Egg and Pullet Producers Marketing Plan be approved. The council did approve an amendment to the Laying Hen Quota Order regarding the quota allocation procedures.

Dairy Farmers of Manitoba
On the recommendation of the council, a revised Dairy Farmers of Manitoba Milk Marketing Plan was approved by the Lieutenant Governor in Council. The council approved the Milk Quality Penalties Regulation and the revised Administration By-Law. A new entrant program is under active consideration and is expected to be presented to the council, along with a revised Milk Marketing Quota Order.

Manitoba Milk Producers continued to participate in an all market and all revenue sharing agreement with Saskatchewan, Alberta, and British Columbia (P4). The P4 Coordinating Committee continued to meet regularly to discuss and set policy with respect to the Western Milk Pool. The Technical Committee reviewed the policies proposed by the Coordinating Committee and recommended action on technical matters.

Manitoba Pork Council
Manitoba Pork Council focussed primarily on activities involving environmental and production research, quality assurance, animal care, food safety, human resources & training, public affairs & community relations, and foreign animal disease readiness. One activity which received considerable amount of involvement was the trade challenges initiated by the National Pork Producers Council.

The council approved two levy regulations. The first one was the Hog Administration Levy Regulation which established the levy of $0.80 per hog and $0.19 per exported weanling. The second regulation entitled Hog Special Levy Regulation imposed a levy of $0.50 on all hogs and will expire on January 1, 2006.

Manitoba Turkey Producers
The council did approve an amendment to the Turkey Quota Order which incorporated the On Farm Food Safety Program as a condition for quota allotment. Amendments were also approved to the Administration By-Law and the Retirement and Basic Allotment Reallocation System.

The council and the board intervened in the British Columbia Signatories' complaint against the Canadian Turkey Marketing Agency's (CTMA) proposed quota allocations for 2004/05. The National Farm Products Council declined to approve the CTMA 's 2004/05 Quota Order.

Peak of the Market
The council heard one appeal by a registered producer regarding the decision to impose a monetary claim for alleged poor quality of potatoes. The council upheld the producer's appeal and directed the board to rescind its decision.

While no formal discussions were held with the board, the council did indicate that Keystone Vegetables Producers Association had submitted a request for the establishment of a processing potato board. A decision to establish such a board remains pending.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act*, 1980. Its mandate is to set a producer price for fluid milk, and to monitor and control wholesale and retail milk prices as required. In 2004/2005, the Commission convened five meetings and three conference calls.

The Commission met with the Dairy Farmers of Manitoba and the Manitoba milk processors twice during this period to determine if new producer prices for fluid milk were required.

On June 8, 2004, the Commission reviewed the Manitoba Dairy Farm Cost of Production (COP) Summary dated June 4, 2004, and approved an increase in the fluid milk price for producers by $2.85/hl from $73.94 to $76.79/hl (effective July 1, 2004). The Commission also approved an increase in the maximum wholesale and maximum retail prices for homogenized, 2%, 1%, and skim milk by $.03/litre for fluid milk sold in one litre containers.

On November 12, 2004, the Commission reviewed the COP Summary (dated November 9, 2004) and approved a decrease in the fluid milk price for producers by $1.53/hl from $76.79/hl to $75.26/hl. The Commission also approved a decrease in the maximum wholesale and the maximum retail prices for homogenized, 2%, 1%, and skim milk by $.02/litre for fluid milk sold in one litre containers.

On March 24, 2005, an amendment to *The Milk Prices Review Act,* that would provide the Commission with the flexibility to use any COP Formula that it deems appropriate, passed second reading in the Legislature.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Manitoba Farm Machinery and Equipment Act*, involving the Board with all segments of the farm implement industry: producers, dealers, distributors, and manufacturers. In 2004/2005, three board meetings and five conference calls were held.

The Farm Machinery and Equipment Act requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears

and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgement before farm machinery repossession can occur.

In 2004/2005, the Board received and processed 124 applications for leave to repossess, an increase of 41 (49 percent) over the same period in 2003/2004. The Board licensed 190 dealers and 114 vendors.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations.

In 2004/2005, the Agency convened one meeting and one conference call.

The Agency conducted an annual meeting with the designated commodity associations to review their activities from the past year and to be informed about their anticipated projects for the upcoming year. The Agency met with the Manitoba Canola Growers Association, Manitoba Forage Seed Association, Manitoba Pulse Growers Association, Manitoba Corn Growers Association, Manitoba Sheep Association, National Sunflower Association of Canada, and the Manitoba Buckwheat Growers Association.

The Agency accepted the petition of the Manitoba Oat Growers Association and a referendum amongst the oat producers was scheduled for April 2005.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act is intended to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that are unacceptable and disturb neighbours.

During 2004/2005, the Board convened two meetings, and heard two complaints. Both complaints related to odour disturbances, one emanating from a beef operation and the other from a hog operation. The board dismissed the complaint against the beef operation and upheld the complaint against the hog operation which was ordered to modify the farm practices to be consistent with normal farm practices.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counselling, and loan payment guarantees.

During 2004/2005, the board received 124 applications from both farmers and lenders for assistance in resolving financial difficulties. These applications resulted in 120 new mediation cases. There were 55 cases in progress from the previous year, for a total of 175 cases for mediation. Of this total, 87 cases were completed during the year, with 40 requiring a formal mediation process. Of those mediated, 31 resulted in an agreement (a success rate of 78 per cent).

The board administers the Special Farm Assistance Fund. The fund was established to help producers obtain an arrangement involving continued credit facilities or a leaseback of property conveyed to creditors. Two types of guarantees were offered in 2004/2005; loan payment guarantees and security value guarantees, and emergency operating assistance was provided in four urgent situations. In order to qualify for a guarantee, the operation must demonstrate viability and the producer, lender, and board must agree to a farm financial plan.
In 2004/2005, the board approved new guarantees for eight farm clients, with a total liability of $168,380 over a maximum four-year period. There were 32 farmers who had guarantees during the year, with a

total potential liability of $446,111. The actual amount paid was $92,616.36, or 20.76 per cent of the liability. The fund is provided by MAFRI through the Manitoba Agricultural Credit Corporation (MACC).

The board held seven meetings and three conference calls to review activities and policy issues, and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under *The Farm Lands Ownership Act*, from non-Canadians and public organizations who wish to acquire an interest in Manitoban farm land. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

In 2004/2005, the board received 27 applications for exemption, eleven involved non-Canadian individuals and corporations, and the other 16 were comprised of Canadian-based corporations and other organizations with some non-Canadian interests. Of the 27 applications that were considered, 24 were approved, two were declined and one withdrew. Some of the approvals were made subject to certain conditions, such as becoming Canadian residents.

The board met seven times in 2004/2005 to consider applications for exemption and to review policy issues.

Manitoba Horse Racing Commission

The Manitoba Horse Racing Commission is responsible for controlling and regulating horse racing and the operation of race tracks in Manitoba. The commission confines its regulatory responsibilities to only those race tracks offering pari-mutuel racing. Amendments to *The Horse Racing Commission Act* were introduced, which are intended to clarify the types of horse racing that the commission is to supervise.

The total combined and simulcast wagering for the year at Assiniboia Downs was $33,221,846.00, a decline of approximately $2,000,000.00 from the previous year. A fire at the race track contributed to the decline due to a two-week shut down.

The Manitoba Great Western Harness Racing Circuit raced 21 days with an average daily wagering of $5,457.00 compared to $6,672.00 the previous year. There were a total of 23 Quarter Horse races run at Assiniboia Downs. No similar races were run in rural Manitoba.

7 (b) Boards and Commissions Support Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
(1) Salaries and Employee Benefits	374.1	6.19	383.1	(9.0)	
(2) Other Expenditures	664.8		706.2	(41.4)	
TOTAL EXPENDITURES	1,038.9	6.19	1,089.3	(50.4)	

Appropriation 8
Agriculture Research and Development I

The overall objectives of Agriculture Research and Development I are: to provide funding for an agriculture development and research initiative aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector; to provide funding assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices; and to provide funding in support of agricultural research.

Appropriation 8 (a) - Agri-Food Research and Development Initiative I

Funding for this initiative is made available by federal and provincial governments for research and development projects under the ARDI I element of the Canada-Manitoba Agri-Food Research and Development Initiative Agreement (ARDI). The ARDI Agreement forms part of Annex C of the Canada-Manitoba Implementation Agreement (IA) through which the Agricultural Policy Framework (APF) is implemented in the province.

The objective of the Agri-Food Research and Development Initiative I (ARDI I) is to provide funding for research and development in support of economic growth and adaptation of Manitoba's Agriculture and Agri-food sector to meet the changing realities of the global marketplace.

The Province of Manitoba contributed $1,000,000 to ARDI in 2004/2005. ARDI council approved 60 projects in 2004/2005 with financial commitments totalling over $2 million. ARDI has the objective to provide, on average, 50 per cent of total funding for research and development projects, with matching dollars contributed by industry. This will translate into new investments in research and development totalling $4.0 million in Manitoba.

ARDI provides project-by-project financial support to commodity groups, individuals, industry, and institutions based upon expected potential for return on investment dollars. This program focuses on value-added processing, enhanced production, and exporting of higher value products.

There are three major partners involved in the management of the ARDI program. The ARDI Program Council is responsible for developing ARDI program objectives, policies, and project assessment criteria. The council also prioritizes ARDI funding and approves eligible project proposals. The ARDI Program Council is an independent committee with representatives from the agriculture and agri-food sector, along with federal and provincial non-voting members.

The Manitoba Association of Agricultural Societies (MAAS) carries out the day-to-day administration of ARDI. MAAS accepts and coordinates funding proposals and administers the disbursement of funds. MAFRI Program Advisors provide advisory assistance to MAAS and the ARDI Program Council, by facilitating assessments of eligible project proposals on behalf of the council.

In 2004/2005, ARDI helped to fund many diverse projects in the following eligible categories:

- commodities that are well-established and present additional growth or development opportunities;
- commodities that are new or alternative and present opportunities for development in Manitoba;

- innovative development of machinery or equipment for production or processing enhancement;
- biotechnology;
- sustainability of the resource base and the environment; and
- other innovative proposals.

Sustainable Development

Manitoba continued to fund ARDI projects, 23 of which met the criteria of sustainable development during the 2004/2005 fiscal year for a combined research expenditure of $755,296. The research subjects included examining the usage of biopesticides and biocontrols, methods to manage Fusarium Head Blight in wheat; and the use of green manure and organic amendments for the control of early dying of potatoes.

8 (a) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	1,000.0		1,000.0	-	
TOTAL EXPENDITURES	1,000.0		1,000.0	-	

Appropriation 8 (b) - Agricultural Sustainability Initiative – Covering New Ground

The objectives of the Agricultural Sustainability Initiative are to:

- facilitate the adoption of effective resource management and environmentally sustainable practices to enhance long term sustainability and competitiveness of the agri-food sector; and to
- facilitate the conservation and enhancement of the natural soil, water, and atmospheric resources that agriculture uses and shares by ensuring the environmental sustainability of the practices employed in the agri-food sector.

Covering New Ground funds activities in three specific areas: sustainable crop management; sustainable forage/livestock management; and integrated pest management, with a goal of developing on-farm management activities to address environmental challenges.

Delivery of programming occurs through:

- local producer groups on a four-region basis;
- provincial based commodity and agricultural organizations;
- and two regional crop diversification centres:
  - the Parkland Crop Diversification Foundation
  - the Westman Agricultural Diversification Organization

In 2004/2005, the four regions delivered programming totaling approximately $440,000.

The Southwest Region, through 11 local delivery groups, undertook 13 projects. The three priority areas for the Southwest Region were: crop production; livestock production; and forage production.

Six local groups delivered 17 projects in the Northwest Region. The three priority areas for the Northwest Region were: Pasture/Forages and the Environment; Agriculture and Environmental Water Quality Issues; and Annual Crop Production and the Environment.

Twelve local delivery groups undertook approximately 19 Central Region projects. The three priority areas for the Central Region were: Appropriate Land Use and Promotions of Best Management Practices; Water Quality and Quantity; and Input Management.

The Eastern/Interlake Region, through seven local delivery groups, undertook and coordinated 28 projects. The three priority areas for the Eastern/Interlake Region were: Forage and Forage Seed Production; Livestock Production; and Crop Production.

Fifteen provincial organizations, with the support of MAFRI staff, carried out a wide range of activities funded at $355,000. The three priority areas for the Provincial Group were: Fertilizer and Manure Impacts on Soil and Landscapes; Erosion on Sensitive Soils and Landscapes; and Agriculture Pest Management Strategies.

The two regional crop diversification centres in Melita and Roblin conducted 26 different trials dealing with crop diversification opportunities, including irrigated crop production. Funding for the two centres was approximately $145,000.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports, and other extension materials.

Sustainable Development

In 2004/2005 the Covering New Ground (CNG) program followed a number of the Principles and Guidelines of Sustainable Development.

The Soils and Crops Branch administers the provincial agricultural sustainability initiative, or the CNG program. The mandate of the CNG program is to promote the awareness and adoption of agricultural practices that promote economic sustainability while improving the long-term sustainability of the natural ecosystem. CNG accomplishes this mandate by partnering with local producer groups, provincial commodity associations, and crop diversification centres to deliver applied research, demonstration, and technology transfer projects. A listing of all CNG project results can be found at the Covering New Ground searchable database at http://web2.gov.mb.ca/agriculture/cng/index.php.

Integration of Environment and Economic Decisions (Principle #1)

- Projects such as *Forage Seed Pest Control Strategy Investigations* look for environmentally and economically sustainable solutions to producer concerns.

- One of the CNG priorities for the Central Region is to promote and increase appropriate land use and best management practices. These are practices that consider environmental and economic benefits.

- The project *Assisting Landowners/Managers with Establishing, Implementing and Sustaining Integrated Pest Management Plans for Leafy Spurge* recognized that there was both an environmental and economic concern about the spread of leafy spurge. The proponents have been successful in receiving contributions and action from producers, municipal governments, and other stakeholders. This allows for a balanced and integrated approach to addressing a common concern.

Stewardship (Principle #2)

- By providing a source of funding that is accessible at the grassroots level, the CNG program is encouraging producers and local organizations to develop their vision of sustainable agriculture.

- In a recent consultation, producers understood that the expression "sustainable agriculture: and the responsibility of stewards of the land" recognizes the importance of maintaining agriculture resources for future generations.

- The *Hog Manure Application on Forages* project examines ways to incorporate hog manure as a fertilizer in perennial cropping systems. This project builds on one sustainable agriculture technique – perennial crops – and examines how man-made chemical inputs can be replaced by livestock manure.

Shared Responsibility and Understanding (Principle #3)

- The CNG program addresses the principle of shared responsibility and understanding by bringing together partners from government, producers, environmental organizations, industry, and academic institutions. CNG projects are developed by partners with shared goals and understandings.

- Public education and involvement is a component in the majority of CNG projects. The CNG program focuses on partnerships with local organizations and also promotes public involvement.

- CNG projects have developed newsletters and fact sheets for producers and hosted field trips and workshops. A primary objective of many CNG funded projects is the dissemination of information about new technologies and techniques for sustainable agriculture.

- The *Beneficial Management Practices in Agriculture* project and the *South Tobacco Creek* project raise awareness about sustainability issues in the community.

Prevention (Principle #4)

- Many CNG projects are designed to monitor, prevent, and mitigate adverse environmental, social, and economic effects. For example, one of the CNG priorities for the Northwest Region is to reduce agricultural density along waterways to help prevent phosphate contamination and stream bank erosion.

- The *Monitoring Water Quality in the Whitemouth River* project monitors surface water quality. One of the outcomes of the project is a historical record of water quality that can be used to identify changes over time, and possibly be used to trigger mitigation.

Conservation and Enhancement (Principle #5)

- The *Riverbank Stabilization* project promotes a technique that encourages stream bank and soil conservation.

- The *Deep Sampling* project encourages producers to test soil nutrient levels to two feet, rather than six inches, as is often done. The result can be a more accurate reflection of soil nutrient profiles, which in turn can reduce the over-application of nutrients.

Rehabilitation and Reclamation (Principle #6)

- The *Stand Improvement and Fertility Management on Rotationally Grazed Pasture* project looks at mechanical and other means for improving pasture performance. The project also investigates the best methods for renovating and rehabilitating pasture land.

Global Responsibility (Principle #7)

- The CNG program encourages local solutions to problems and builds capacity in local organizations.

- Some CNG projects, such as *Integrated Control of Forage Legume Diseases* have served as models for programs in other areas. These made-in-Manitoba programs have a broader impact on agricultural sustainability.

- Although the CNG program does not fund direct research and development projects, it provides an important link in the application of new techniques and technologies. CNG projects help make the link between what is scientifically feasible and what is practical in an agricultural setting. This helps ensure continuous improvement in agricultural practices and also provides important practical feedback on scientific research.

8 (b) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Other Expenditures	998.2		1,118.5	(120.3)	
TOTAL EXPENDITURES	998.2		1,118.5	(120.3)	

Appropriation 8 (c) - Grant to University of Manitoba

The objective of the University of Manitoba grant is to support Faculty of Agricultural and Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the faculty.

MAFRI funding represents a significant proportion of total government and corporate contributions for research activities of the faculty. Various departments within the faculty received monetary grants to assist in their research activities.

The department's grant is important in supporting the faculty's research, which is aimed at diversifying and sustaining Manitoba's agricultural and agri-food industry. The grant is also a valuable resource to the faculty because it helps attract additional outside funding for agricultural research. More specifically, it serves as a valuable leverage factor in drawing additional resource commitments from other organizations.

8 (c) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	768.3		768.3	-	
TOTAL EXPENDITURES	768.3		768.3	-	

Appropriation 8 (d) - Grant to the Prairie Agricultural Machinery Institute

The department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development, and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. Financial support is provided through an agreement between the Province of Manitoba and the Province of Saskatchewan.

Under the terms of this agreement, Manitoba provides an annual grant of $332,500 to support PAMI activities.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support Manitoba's priorities for international competition, diversification and value-added processing, livestock production, risk management, environment production, environment protection, and crop and farm safety.

Through its practical research and development, PAMI plays an important role in technology transfer to assist producers, and the industry to improve their operations.

Sustainable Development

PAMI continues to develop technologies in sustainable practices: an organic weed clipping machine; electronic tagging of livestock; alfalfa protein fractionation; fiber flax production; growing hybrid poplars with manure; bull fertility testing; beehive uncapping; corn seeding and silaging using conventional equipment; moisture harvesting with dugouts; whole animal composting; and a manual on machinery safety.

8 (d) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Grants/Transfer Payments	332.5		332.5	-	
TOTAL EXPENDITURES	332.5		332.5	-	

Appropriation 9
Amortization and Other Costs Related to Capital Assets

The main objective of Amortization and Other Costs related to Capital Assets is to provide for amortization and interest on capital expenditures.

Appropriations 9 (a) and 9 (b) - Amortization and Software Licences Related to Capital Assets

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are recorded in Capital Investment (Part B) and amortization on a straight line basis over the periods of service provided by the assets is included as an operating expense (Part A). A half-year's worth of amortization is recorded on assets acquired or disposed of during the year. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

The department's tangible capital assets include machinery and equipment, as well as the department's share of the costs related to the Desktop Management and Better Methods Initiatives. These assets are amortized over the following period:

Machinery and Equipment	10 Years
Desktop Management Initiative	Various periods ranging between 4 to 10 years
Better Methods Initiative	15 Years

9(a) Desktop Services

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Other Expenditures:					
(1) Amortization Expense - Transition	80.2		80.3	(0.1)	
(2) Enterprise Software Licenses	139.7		139.6	0.1	
TOTAL EXPENDITURES	219.9		219.9	-	

9(b) Amortization Expense

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Other Expenditures	253.1		259.7	(6.6)	
TOTAL EXPENDITURES	253.1		259.7	(6.6)	

Appropriation 9 (c) - Interest Expense

Interest costs on borrowings related to investments in tangible capital assets are charged to the department based on the average net book value for the year. A half-year's worth of interest is recorded on assets acquired or disposed off during the year.

The capital asset purchases are recorded in Part B – Capital Investment. For more information on tangible capital assets see Votes 9A and 9B.

9(c) Interest Expense

Expenditures by Sub-Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTEs	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
Other Expenditures	35.8		36.8	(1.0)	
TOTAL EXPENDITURES	35.8		36.8	(1.0)	

SECTION ONE

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B – Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 8.

Part B - Capital Investment

	Actual 2004/2005 $(000's)	Estimate 2004/2005 FTE	Estimate 2004/2005 $(000's)	Variance Over / (Under)	Expl. No.
Capital Investment	236.5	-	242.0	(5.5)	
TOTAL	236.5	-	242.0	(5.5)	

SECTION TWO

EXPENDITURE AND REVENUE

SUMMARY TABLES

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-1 ADMINISTRATION AND FINANCE				
25.6	28.8	(3.2)		(a) Minister's Salary	25.6	29.4	(3.8)	
				(b) Executive Support				
430.3	698.5	(268.2)	1	(1) Salaries and Employee Benefits	430.3	482.5	(52.2)	
72.3	69.9	2.4		(2) Other Expenditures	72.3	62.6	9.7	
63.7	56.6	7.1		(3) Policy Studies	63.7	71.2	(7.5)	
				(c) Financial and Administrative Services				
807.0	674.5	132.5	2	(1) Salaries and Employee Benefits	807.0	771.7	35.3	
310.5	327.8	(17.3)		(2) Other Expenditures	310.5	384.6	(74.1)	
				(d) Information Technology Services				
448.7	434.2	14.5		(1) Salaries and Employee Benefits	448.7	467.7	(19.0)	
70.9	71.8	(0.9)		(2) Other Expenditures	70.9	71.1	(0.2)	
				(e) Human Resource Management Services				
303.8	238.6	65.2		(1) Salaries and Employee Benefits	303.8	321.7	(17.9)	
45.8	42.8	3.0		(2) Other Expenditures	45.8	46.7	(0.9)	
2,578.6	2,643.5	(64.9)		Subtotal 03-1	2,578.6	2,709.2	(130.6)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-2 RISK MANAGEMENT AND INCOME SUPPORT PROGRAMS				
				(a) Manitoba Crop Insurance Corporation				
4,405.9	2,771.4	1,634.5	3	(1) Administration	4,405.9	4,122.9	283.0	
21,673.0	31,693.8	(10,020.8)	4	(2) Premiums	21,673.0	23,276.0	(1,603.0)	*
914.5	928.9	(14.4)		(3) Wildlife Damage Compensation	914.5	749.8	164.7	*
52,595.4	53,992.5	(1,397.1)	5	(b) Canadian Agricultural Income Stabilization Program	52,595.4	50,301.0	2,294.4	*
4,613.3	-	4,613.3	6	(c) Livestock Industry Development Assistance	4,613.3	2,500.0	2,113.3	*
84,202.1	89,386.6	(5,184.5)		Subtotal 03-2	84,202.1	80,949.7	3,252.4	
				03-3 MANITOBA AGRICULTURAL CREDIT CORPORATION				
4,508.5	4,537.7	(29.2)		Administration	4,508.5	4,610.4	(101.9)	
783.1	33.8	749.3	7	Net Interest Cost and Other Provisions	783.1	510.0	273.1	*
462.3	882.0	(419.7)	8	Provision for Impaired Loans	462.3	500.0	(37.7)	
92.6	113.1	(20.5)		Special Farm Assistance	92.6	100.0	(7.4)	
109.8	129.2	(19.4)		Emergency Loan Assistance	109.8	135.9	(26.1)	
164.9	221.0	(56.1)		Project 2000 - Bridging Generations Initiative	164.9	280.0	(115.1)	*
6,121.2	5,916.8	204.4		Subtotal 03-3	6,121.2	6,136.3	(15.1)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-4 AGRICULTURAL DEVELOPMENT AND MARKETING				
				(a) Marketing and Farm Business Management				
1,554.3	1,845.6	(291.3)	9	(1) Salaries and Employee Benefits	1,554.3	1,641.5	(87.2)	
1,093.6	1,023.8	69.8		(2) Other Expenditures	1,093.6	999.8	93.8	
364.7	364.2	0.5		(3) Agricultural Societies Grant Assistance	364.7	368.4	(3.7)	
43.5	43.3	0.2		(4) Other Grant Assistance	43.5	43.6	(0.1)	
				(b) Animal Industry				
1,869.2	1,722.6	146.6		(1) Salaries and Employee Benefits	1,869.2	1,763.5	105.7	
515.6	605.8	(90.2)		(2) Other Expenditures	515.6	590.1	(74.5)	
				(c) Veterinary Services				
2,065.4	2,231.2	(165.8)		(1) Salaries and Employee Benefits	2,065.4	2,366.9	(301.5)	
1,088.2	928.7	159.5		(2) Other Expenditures	1,088.2	1,100.1	(11.9)	
517.4	517.4	-		(3) Grant Assistance - Operating	517.4	473.3	44.1	
300.0	300.0	-		(4) Grant Assistance - Capital	300.0	300.0	-	
				(d) Soils & Crops				
2,947.2	2,919.8	27.4		(1) Salaries and Employee Benefits	2,947.2	3,108.8	(161.6)	
931.6	1,058.6	(127.0)		(2) Other Expenditures	931.6	1,004.4	(72.8)	
621.9	430.1	191.8	10	(e) Irrigation Development	621.9	922.5	(300.6)	*
4,513.7	1,829.6	2,684.1	11	(f) Food Development Centre	4,513.7	2,113.8	2,399.9	*
18,426.3	15,820.7	2,605.6		Subtotal 03-4	18,426.3	16,796.7	1,629.6	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-5 REGIONAL AGRICULTURAL SERVICES				
				(a) Northwest Region				
2,475.9	2,324.0	151.9		(1) Salaries and Employee Benefits	2,475.9	2,434.5	41.4	
834.3	820.2	14.1		(2) Other Expenditures	834.3	800.5	33.8	
				(b) Southwest Region				
2,476.7	2,561.3	(84.6)		(1) Salaries and Employee Benefits	2,476.7	2,557.3	(80.6)	
701.4	687.7	13.7		(2) Other Expenditures	701.4	714.5	(13.1)	
				(c) Central Region				
2,319.6	2,463.1	(143.5)		(1) Salaries and Employee Benefits	2,319.6	2,566.6	(247.0)	
706.9	687.4	19.5		(2) Other Expenditures	706.9	700.7	6.2	
				(d) Eastern/Interlake Region				
3,544.5	3,297.1	247.4		(1) Salaries and Employee Benefits	3,544.5	3,545.1	(0.6)	
1,227.1	1,213.3	13.8		(2) Other Expenditures	1,227.1	1,222.7	4.4	
				(e) Agricultural Crown Lands				
754.4	719.8	34.6		(1) Salaries and Employee Benefits	754.4	688.1	66.3	
327.2	275.9	51.3		(2) Other Expenditures	327.2	283.1	44.1	
15,368.0	15,049.8	318.2		Subtotal 03-5	15,368.0	15,513.1	(145.1)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-6 RURAL AND NORTHERN COMMUNITY ECONOMIC DEVELOPMENT				
				(a) Economic Development Initiatives				
870.6	725.9	144.7	12	(1) Salaries and Employee Benefits	870.6	794.2	76.4	
233.6	225.2	8.4		(2) Other Expenditures	233.6	253.7	(20.1)	
505.0	456.0	49.0		(3) Grants	505.0	545.0	(40.0)	
				(b) Community Cooperative and Regional Development Initiatives				
848.1	1,077.9	(229.8)	13	(1) Salaries and Employee Benefits	848.1	1,105.8	(257.7)	*
206.0	201.1	4.9		(2) Other Expenditures	206.0	206.0	-	
2,060.1	3,150.0	(1,089.9)	14	(c) Infrastructure Development Grants	2,060.1	3,150.0	(1,089.9)	*
				(d) Less: Recoverable from Rural Economic Development Initiatives				
(3,645.6)	(3,518.0)	(127.6)			(3,645.6)	(3,673.5)	27.9	
				(e) Rural Economic Development Initiatives				
11,164.0	11,178.0	(14.0)		(1) Programs - Operating	11,164.0	10,217.5	946.5	*
4,346.2	4,757.6	(411.4)		(2) Programs - Capital Grants	4,346.2	4,757.5	(411.3)	*
16,588.0	18,253.7	(1,665.7)		Subtotal 03-6	16,588.0	17,356.2	(768.2)	
				03-7 POLICY AND ECONOMICS				
				(a) Economics				
1,136.5	1,251.4	(114.9)		(1) Salaries and Employee Benefits	1,136.5	1,283.8	(147.3)	
386.7	265.9	120.8	15	(2) Other Expenditures	386.7	320.2	66.5	
				(b) Boards and Commissions Support Services				
374.1	401.8	(27.7)		(1) Salaries and Employee Benefits	374.1	383.1	(9.0)	
664.8	646.7	18.1		(2) Other Expenditures	664.8	706.2	(41.4)	
2,562.1	2,565.8	(3.7)		Subtotal 03-7	2,562.1	2,693.3	(131.2)	

Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

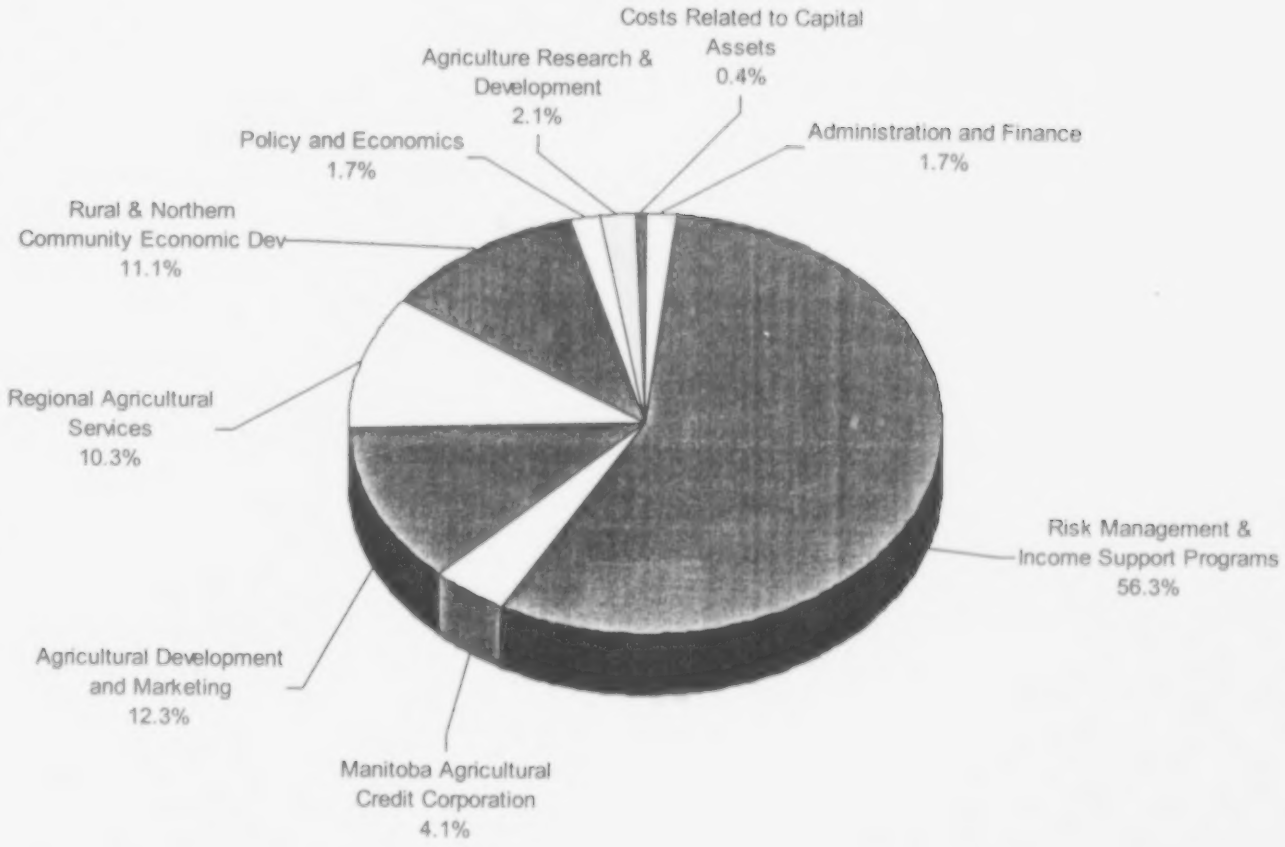
Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-8 AGRICULTURE RESEARCH AND DEVELOPMENT				
1,000.0	1,000.0	-		(a) Agri-Food Research and Development Initiative	1,000.0	1,000.0	-	
998.2	1,045.3	(47.1)		(b) Agricultural Sustainability Initiative	998.2	1,118.5	(120.3)	
768.3	768.3	-		(c) Grant to the University of Manitoba	768.3	768.3	-	
332.5	332.5	-		(d) Grant to the Prairie Agricultural Machinery Institute	332.5	332.5	-	
3,099.0	3,146.1	(47.1)		Subtotal 03-8	3,099.0	3,219.3	(120.3)	
				03-9 COSTS RELATED TO CAPITAL ASSETS				
				(a) Desktop Services				
80.2	80.3	(0.1)		(1) Amortization Expense - Transition	80.2	80.3	(0.1)	
139.7	139.6	0.1		(2) Enterprise Software Licenses	139.7	139.6	0.1	
253.1	236.7	16.4		(b) Amortization Expense	253.1	259.7	(6.6)	
35.8	29.5	6.3		(c) Interest Expense	35.8	36.8	(1.0)	
508.8	486.1	22.7		Subtotal 03-9	508.8	516.4	(7.6)	
149,454.1	153,269.1	(3,815.0)		**TOTAL: DEPARTMENT OF AGRICULTURE, FOOD AND RURAL INITIATIVES**	149,454.1	145,890.2	3,563.9	

* Explanations for these variances can be found in the respective sub-appropriation detail.

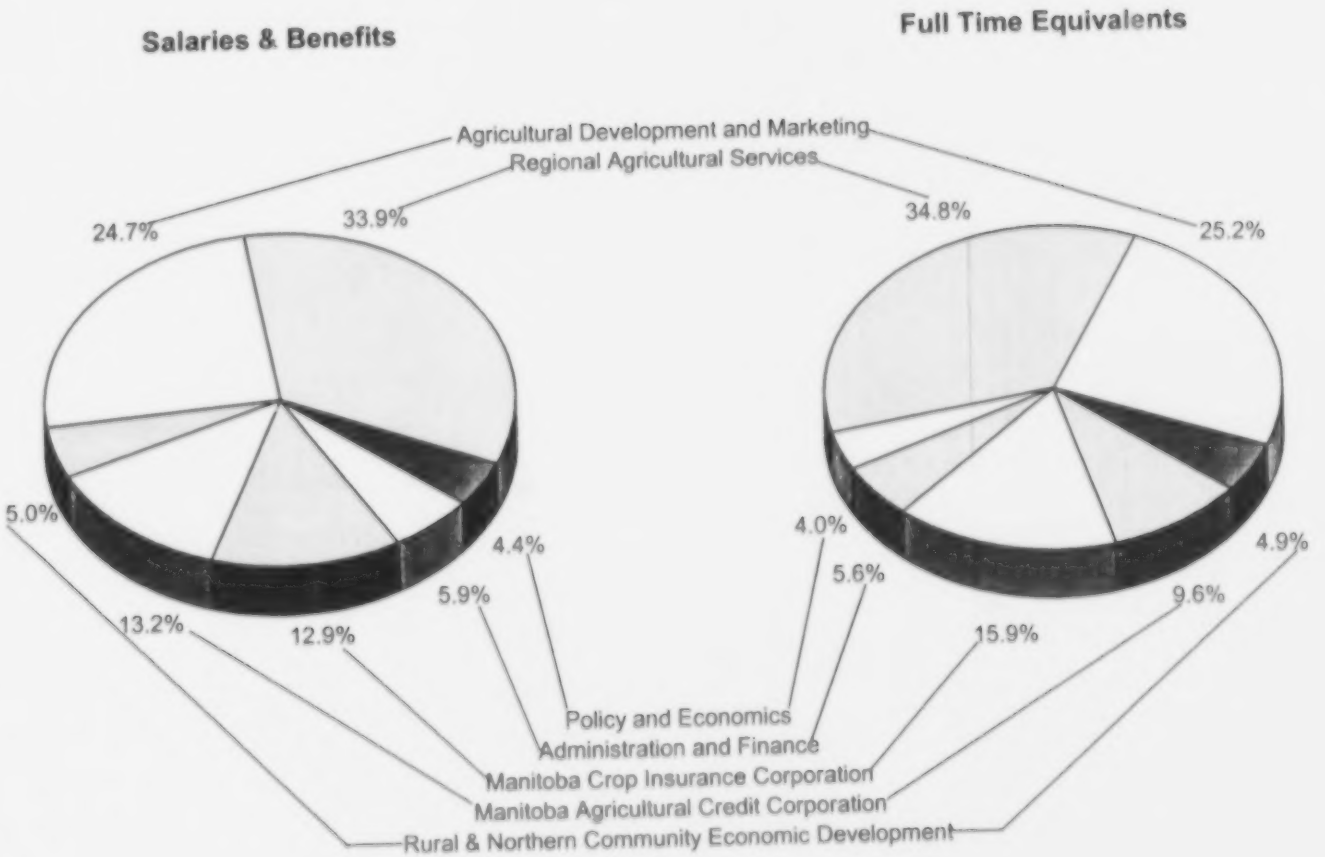
Explanation Number

1. *The decrease in Executive Support – Salaries of ($268.2) is mainly the result of fewer severance payments in 2004/05 as compared to 2003/04.*
2. *The increase in Financial & Administrative Services of $132.5 is primarily due to vacancies that were filled.*
3. *The increase in Manitoba Crop Insurance Corporation (MCIC) - Administration of $1,634.5 is mainly due to economic salary increases resulting from renegotiated collective agreements, higher claim activity caused by the wet cool growing season of 2004 and the elimination of the producer per acre administration fee in 2004/05.*
4. *The decrease in MCIC - Premiums of ($10,020.8) is mainly due to lower insured crop values, reduced provincial share of the overall premium in accordance with the Agricultural Policy Framework and fewer seeded acres.*
5. *The decrease in Canadian Agricultural Income Stabilization Program of ($1,397.1) is mainly due to the 2003/04 actual including an adjustment for Net Income Stabilization Account (NISA) and 2003/04 being based on higher than the long term average claims due to lower cattle prices as a result of the continuation of the border closure due to the BSE crisis.*
6. *The increase in Livestock Industry Development Assistance (LIDA) of $4,613.3 is due to $4,500.0 assistance for Rancher's Choice Beef Processing Co-op project and a further $113.3 of other LIDA expenditures.*
7. *The net increase in Manitoba Agricultural Credit Corporation – Net Interest Cost and Other Provisions of $749.3 is primarily due to the following:*
   - *a) $ 611.8 — Net Interest cost increase due to lower revenues from the interest rate reduction on the BSE Loan Recovery program, a reduction in the regular lending portfolio as well as a decrease in property sales income.*
   - *b) $ 355.9 — An increase in the Provision for Flood and Producer Recovery loans resulting from greater loan write-offs.*
   - *c) $(212.1) — A decrease in Young Farmer Rebate resulting from the rebate expiring on existing loans and the impact of the advancing age of the average farmer on program participation.*
8. *The decrease in Manitoba Agricultural Credit Corporation – Provision for Impaired Loans of ($419.7) is primarily the result of a reduction in the regular lending portfolio.*
9. *The decrease in Marketing and Farm Business Management – Salaries of ($291.3) is mainly the result of fewer severance payments in 2004/05 as compared to 2003/04 and a higher level of position vacancies as a result of government's fiscal restraints.*
10. *The increase in Irrigation Development of $191.8 is mainly due to increased industry interest in the program as compared to the previous year. Processing plants are requesting more irrigated acres from producers.*
11. *The increase in the Food Development Centre (FDC) of $2,684.1 is mainly due to a change in accounting policy for the treatment of loans that are repaid through future government appropriations. This now requires that the loan receivable from Food Development Centre be recorded as a grant expenditure in the 2004/05 fiscal year.*
12. *The increase in Economic Development Initiatives – Salaries of $144.7 is primarily due to vacancies that were filled.*
13. *The decrease in Community Cooperative and Regional Development Initiatives of ($229.8) is mainly the result of a higher number of position vacancies as a result of government's fiscal restraints.*
14. *The decrease in Infrastructure Development Grants of ($1,089.9) is primarily due to an in-year expenditure management reduction in 2004/05 consistent with the government – wide fiscal restraints.*
15. *The increase in Economics – Other Expenditures of $120.8 is mainly the result of expenditures on legal fees associated with defending Manitoba's position on hog countervail action initiated in the United States.*

Department of Agriculture, Food and Rural Initiatives
Distribution by Main Appropriation
2004/2005 Expenditures


Costs Related to Capital Assets 0.4%
Agriculture Research & Development 2.1%
Policy and Economics 1.7%
Administration and Finance 1.7%
Rural & Northern Community Economic Dev 11.1%
Regional Agricultural Services 10.3%
Risk Management & Income Support Programs 56.3%
Agricultural Development and Marketing 12.3%
Manitoba Agricultural Credit Corporation 4.1%

Department of Agriculture, Food and Rural Initiatives
Percentage Distribution of Salaries & Employee Benefits
And Full Time Equivalents - 2004/2005



Appendix A
Manitoba Agriculture, Food and Rural Initiatives
Part B - Capital Investment Summary

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
236.5	144.3	92.2	1	**Capital Investment**	236.5	242.0	(5.5)	
236.5	144.3	92.2		Total	236.5	242.0	(5.5)	

1. *The increase in Capital Investment of $92.2 is due to the acquisition of more assets and relatively more costly assets in 2004/05 as compared to 2003/04.*

Appendix A

Manitoba Agriculture, Food and Rural Initiatives

Revenue Summary By Source

for the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year

Actual 2004/2005 $(000's)	Actual 2003/2004 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Source	Actual 2004/2005 $(000's)	Estimate 2004/2005 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
0.7	0.9	(0.2)		Rabies Indemnity	0.7	6.0	(5.3)	5
259.2	24.8	234.4	1	Disaster Aid Program Administration Cost Recovery	259.2	-	259.2	6
34.4	-	34.4	2	BSE Surveillance Program	34.4	-	34.4	7
294.3	25.7	268.6		Sub-Total	294.3	6.0	288.3	
				Other Revenue:				
2,604.4	2,461.8	142.6	3	(a) Fees	2,604.4	2,462.7	141.7	8
91.6	70.3	21.3		(b) Sundry	91.6	51.7	39.9	
2,696.0	2,532.1	163.9		Sub-Total	2,696.0	2,514.4	181.6	
2,990.3	2,557.8	432.5		Total Department Revenue	2,990.3	2,520.4	469.9	
-	14.8	(14.8)	4	Sale of Government Assets	-	-	-	

Explanation Number

1. *The increase in Government of Canada – Disaster Aid Administration Cost Recovery of $234.4 is primarily due to more activity for promotion and education in relation to launching a new program to more participants than the former Canadian Farm Income Program and a delay to 2004/05 in receiving the majority of the 2003/04 cost recovery.*
2. *The increase in Government of Canada – BSE Surveillance Program of $34.4 is due to reimbursement from the Canadian Food Inspection Agency (CFIA) for cattle picked up by the Winter 2004/05 Cattle Mortality Pickup Service and tested for BSE.*
3. *The increase in Fee Revenue of $142.6 was mainly due to changes to the fee structure and further increases in testing at the Veterinary Services Diagnostic lab due to escalating concerns about animal health – foreign animal disease.*
4. *The decrease of ($14.8) is due to the sale of assets for the elk program in the previous year. The fund was wound up as at the end of the prior year.*
5. *The variance under authority in Government of Canada – Rabies Indemnity of ($5.3) is due to a reduction in the incidence of rabies.*
6. *The variance over authority in Government of Canada – Disaster Aid Program Administration Cost Recovery of $259.2 is the result of favorable administration recovery negotiations with the federal government for both 2003/04 and 2004/05 after the budget process.*
7. *The variance over authority in Government of Canada – BSE Surveillance Program of $34.4 is due to reimbursement from the Canadian Food Inspection Agency (CFIA) for cattle picked up by the Winter 2004/05 Cattle Mortality Pickup Service and tested for BSE.*
8. *The variance over authority in Fee Revenue of $141.7 is primarily due to the following:*
   - a) *$208.3* — *Increase in Veterinary Diagnostic fees mainly due to changes to the fee structure and increase in testing at the Veterinary Services Diagnostic lab due to escalating concerns about animal health – foreign animal disease.*
   - b) *$ 41.6* — *Increase in Lease Rentals – Crown Lands mainly due to increased interest charges associated with outstanding accounts; increase in the number of animal unit months (AUMs) on charge as at January 2005 used to calculate the annual billing; and an increase in revenues for improvements sold to lessees through the allocation process.*
   - c) *$(41.7)* — *Decrease in Apiary Inspection related revenue due to reduced program costs.*
   - d) *$(55.5)* — *Decrease in Dairy Lab Testing Fee due to the transfer of Dairy Lab capabilities for routine milk sampling and testing to the Dairy Farmers of Manitoba since this type of service is generally provided by the private sector in other provinces. The Dairy Lab would then only provide an audit function on the dairy industry.*

SECTION THREE

EXPENDITURE AND STAFFING

SUMMARY TABLES

Appendix B
Department of Agriculture, Food and Rural Initiatives
Five Year Expenditure and Staffing Summary by Main Appropriation
for the fiscal years ending March 31, 2001 to March 31, 2005

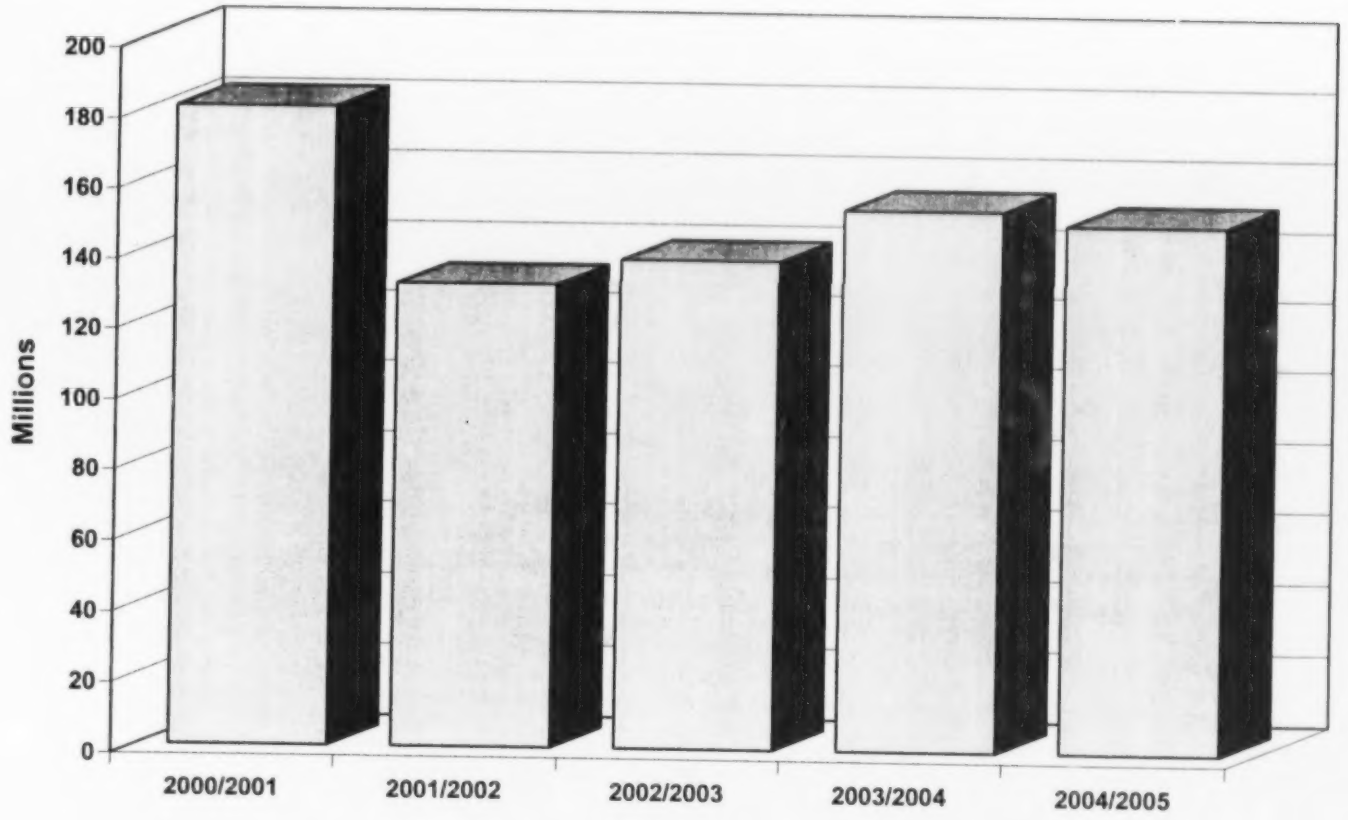
		Actual / *Adjusted Expenditures									
		2000/2001		2001/2002		2002/2003		2003/2004		2004/2005	
Main Appropriation		FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)
03-1 Administration and Finance	(1)	36.39	2,485.1	36.39	2,389.0	36.39	2,643.7	35.39	2,636.1	34.39	2,578.6
03-2 Risk Management and Income Support Programs		100.00	117,977.3	101.00	72,621.7	101.00	76,659.7	101.00	89,386.6	98.00	84,202.1
03-3 Manitoba Agricultural Credit Corporation		61.00	5,181.1	61.00	5,658.0	61.00	5,643.9	61.00	5,916.8	59.00	6,121.2
03-4 Agricultural Development and Marketing		158.73	14,995.8	157.73	15,184.4	157.73	14,814.4	157.73	15,820.7	155.23	18,426.3
03-5 Regional Agricultural Services	(1)	219.87	14,387.0	219.87	14,665.1	219.87	14,416.4	220.87	15,057.2	213.87	15,368.0
03-6 Rural & Northern Community Economic Development	(2)	29.00	19,420.5	29.00	14,614.4	30.00	18,055.7	30.00	18,253.7	30.00	16,588.0
03-7 Policy and Economics	(2),(3),(4)	26.19	2,615.5	26.19	2,371.7	26.19	2,506.5	26.19	2,565.8	24.69	2,562.1
03-8 Agriculture Research and Development	(3),(5)	-	3,358.0	-	2,738.4	-	2,876.3	-	3,146.1	-	3,099.0
03-9 Costs Related to Capital Assets	(5),(6)	-	766.6	-	794.7	-	756.6	-	486.1	-	508.8
Total Departmental Appropriations		631.18	181,186.9	631.18	131,037.4	632.18	138,373.2	632.18	153,269.1	615.18	149,454.1

* Adjusted figures reflect historical data on a comparable basis in those appropriations affected by a re-organization during the years under review.

Explanation Number

1. *The 2003/04 actual expenditures have been adjusted for the realignment of the Aboriginal Agricultural Initiative 1.00 FTE, salary and operating costs from Administration and Finance to Regional Agricultural Services.*
2. *The five prior year's actual expenditures have been adjusted to reflect the transfer of Rural & Northern Community Economic Development from Votes 9 and 10 (in the 2003/04 Annual Report) to Vote 6. Due to this transfer, Policy and Economics moves to Vote 7.*
3. *The five prior year's actual expenditures have been adjusted to reflect the transfer of Agriculture Research and Development from Vote 7 to Vote 8 due to the transfer in of Policy and Economics from Vote 6.*
4. *The five prior year's actual expenditures have been adjusted to reflect the transfer of Grant Assistance - Horse Racing Industry from Vote 12 (in the 2003/04 Annual Report) to Policy and Economics.*
5. *The five prior year's actual expenditures have been adjusted to reflect the transfer of Costs Related to Capital Assets from Vote 8 to Vote 9 due to the transfer in of Agriculture Research and Development from Vote 7.*
6. *The five prior year's actual expenditures have been adjusted to reflect the transfer of: a) Amortization and Other Costs Related to Capital Assets for Rural Initiatives from Vote 11 (in the 2003/04 Annual Report) to Vote 9 and b) an adjusted vote transfer of Desktop Services amortization expense Hardware from Costs Related to Capital Assets to the Department of Energy, Science and Technology due to 2003/04 being the final year for this amortization.*

Department of Agriculture, Food and Rural Initiatives
Five Year Expenditure History
For Years Ending March 31, 2001 to March 31, 2005



Appendix C
Department of Agriculture, Food and Rural Initiatives
Reconciliation Statement

DETAILS	2004/2005 ESTIMATES $(000's)
2004/2005 MAIN ESTIMATES	145,705.7
MAIN ESTIMATES AUTHORITY TRANSFERRED FROM:	
- Internal Reform, Workforce Adjustment and General Salary Increases	184.5
MAIN ESTIMATES AUTHORITY TRANSFERRED TO:	-
2004/2005 ESTIMATE	**145,890.2**

Appendix D

Manitoba Agriculture, Food and Rural Initiatives
Statutory Responsibilities of the Minister of Agriculture, Food and Rural Initiatives

The Agriculture Credit Corporation Act ..... A 10
The Agricultural Producers' Organization Funding Act ..... A 18
The Agricultural Productivity Council Act ..... A 20
The Agricultural Societies Act ..... A 30
The Department of Agriculture and Food Act ..... A 40
The Agrologists Act ..... A 50
The Animal Care Act ..... A 84
The Animal Diseases Act ..... A 85
The Animal Liability Act ..... A 95
The Bee Act ..... B 15
The Cattle Producers Association Act ..... C 25
The Coarse Grain Marketing Control Act ..... C 140
The Crop Insurance Act ..... C 310
The Crown Lands Act [Sections 7.2 (2) to 7.6 and sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23, and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as Agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Revised Regulation 288/88) and Forage Leases Regulation (46/88 R)] ..... C 340
The Dairy Act ..... D 10
The Family Farm Protection Act ..... F 15
The Farm Income Assurance Plans Act ..... F 30
The Farm Lands Ownership Act ..... F 35
The Farm Machinery and Equipment Act ..... F 40
The Farm Practices Protection Act ..... F 45
The Farm Products Marketing Act ..... F 47
The Fruit and Vegetable Sales Act ..... F 180
The Horse Racing Commission Act ..... H 90
The Horse Racing Regulation Act ..... H 100
The Land Rehabilitation Act ..... L 50
The Livestock and Livestock Products Act ..... L 170
The Livestock Industry Diversification Act ..... L 175
The Margarine Act ..... M 30
The Milk Prices Review Act ..... M 130
The Noxious Weeds Act ..... N 110
The Pesticides and Fertilizers Control Act ..... P 40
The Plant Pests and Diseases Act ..... P 90
[Except that portion of clause 16(c) that pertains to arborists and clause 16 (i)]
The Seed and Fodder Relief Act ..... S 80
The Veterinary Medical Act ..... V 30
The Veterinary Science Scholarship Fund Act ..... V 40
The Veterinary Services Act ..... V 50
The Wildlife Act [Section 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl] ..... W 130
The Women's Institutes Act ..... W 180